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HOUSE OF COMMONS

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

CHAIRMAN—MR. J. A. BRADETTE

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

THURSDAY, MAY 17, 1951

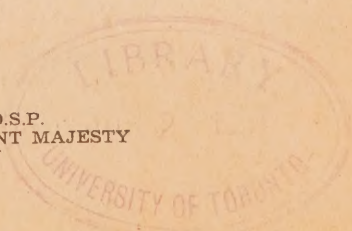
TUESDAY, MAY 22, 1951

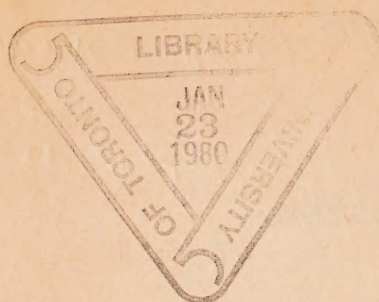
ITEM 84—

Main Estimates of the Department of External Affairs—Departmental
Administration.

The Honourable LESTER B. PEARSON

OTTAWA
EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
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1951





STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. Bradette, Esq.

Vice-Chairman: Gordon Graydon, Esq.

Messrs.

Balcer
Bater
Benidickson
Bradette
Breithaupt
Coldwell
Cote (*Matapedia-
Matane*)
Croll
Decore
Dickey
Diefenbaker
Fleming

Fournier (*Maisonneuve-
Rosemount*)
Fraser
Gauthier (*Lac St. Jean*)
Gauthier (*Portneuf*)
Goode
Graydon
Green
Higgins
Jutras
Leger
Lesage
Low

MacInnis
MacKenzie
Macnaughton
McCusker
Murray (*Cariboo*)
Mutch
Picard
Pinard
Quelch
Richard (*Ottawa East*)
Robinson
Stick

Clerk: Antonio Plouffe.

REPORT TO HOUSE

FRIDAY, May 18, 1951.

The Standing Committee on External Affairs begs leave to present its

FIRST REPORT

Your Committee recommends that it be empowered

1. To print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.
2. To sit while the House is sitting.
3. To reduce its quorum from 10 to 8 members, and that Standing Order 63 (1) (l) be suspended in relation thereto.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

ORDERS OF REFERENCE

FRIDAY, 16th February, 1951.

Resolved—That the following members do compose the Standing Committee on External Affairs:—

Messrs.

Balcer,
Bater,
Benidickson,
Bradette,
Breithaupt,
Coldwell,
Cote (*Matapedia-
Matane*),
Croll,
Decore,
Dickey,
Diefenbaker,
Fleming,

Fournier (*Maisonneuve-
Rosemount*),
Fraser,
Gauthier (*Lac St. Jean*),
Gauthier (*Portneuf*),
Goode,
Graydon,
Green,
Higgins,
Jutras,
Leger,
Lesage,
Low,
MacInnis,
MacKenzie,
Macnaughton,
McCusker,
Murray (*Cariboo*),
Mutch,
Picard,
Pinard,
Quelch,
Richard (*Ottawa East*),
Robinson,
Stick—36

(Quorum 10)

Ordered,—That the Standing Committee on External Affairs be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

STANDING COMMITTEE

MONDAY, May 14, 1951.

Ordered,—That votes No. 84 to No. 111 inclusive, and vote 566, of the main estimates 1951-52 be withdrawn from the Committee of Supply and referred to the said Committee, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

FRIDAY, May 18, 1951.

Ordered,—That the said Committee be authorized to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

Ordered,—That the said Committee be granted leave to sit while the House is sitting.

Ordered,—That the quorum of the said Committee be reduced from 10 to 8 members, and that Standing Order 63(1) (l) be suspended in relation thereto.

Attest.

Leon J. Raymond,
Clerk of the House.

MINUTES OF PROCEEDINGS

THURSDAY, May 17, 1951.

The Standing Committee on External Affairs held an executive meeting at 2 o'clock. Mr. J. A. Bradette, the chairman, presided.

Members present: Messrs. Bater, Benidickson, Bradette, Côté (*Matapédia-Matane*), Croll, Decore, Fraser, Gauthier (*Lac St. Jean*), Green, Jutras, Leger, Low, MacInnis, MacKenzie, Macnaughton, Murray (*Cariboo*), Quelch.

The Orders of Reference of Friday, February 16 and Monday, May 14, were taken as read.

The Chairman thanked the members of the Committee for their confidence and continued co-operation. He referred to the appointment of Mr. Jean Lesage, Member for Montmagny-L'Islet, as Parliamentary Assistant to the Secretary of State for External Affairs. He also referred to other members of the Committee who have been delegated during the past year to various meetings of the United Nations Organization and its Councils, both in New York and abroad.

The Chairman recalled the untimely death of Mr. R. G. Riddell, Chief of the Permanent Canadian Delegation to the United Nations in New York. He mentioned the happy relations he enjoyed with the members of the Committee and the delegates who had occasion to seek his advice. The Committee was unanimous in its expression of sympathy to Mrs. Riddell and family.

On motion of Mr. Croll, Mr. Gordon Graydon was elected vice-chairman.

On motion of Mr. Bater,

Resolved,—That authority be sought to print from day to day, 500 copies in English and 200 copies in French of its minutes of proceedings and evidence.

The Clerk was instructed to ascertain whether the above-mentioned quantities were too small or too large.

After discussion, on motion of Mr. Low,

Resolved,—That the Committee seek permission to sit while the House is sitting.

After debate, on motion of Mr. Jutras,

Resolved,—That leave be asked to reduce the quorum from 10 to 8 members.

After discussion, Mr. Low suggested that the Chairman do appoint an AGENDA COMMITTEE. The Chairman thereupon announced its composition, viz: Messrs. Côté (*Matapédia-Matane*), Decore, Graydon (Vice-Chairman), Leger, Lesage, MacInnis, Pinard, Quelch and himself.

A discussion followed on routine proceedings and the dates of subsequent meetings.

At 2.35 o'clock the Committee adjourned until Tuesday, May 22, at 4 o'clock.

TUESDAY, May 22, 1951.

The Standing Committee on External Affairs met at 4 o'clock. Mr. J. A. Bradette, the Chairman, presided.

Present: Messrs. Balcer, Bater, Bradette, Breithaupt, Coldwell, Côté (*Matapédia-Matane*), Croll, Decore, Dickey, Fraser, Goode, Graydon, Jutras, Leger, Lesage, Low, MacInnis, Macnaughton, Murray (*Cariboo*), Picard, Quelch, Robinson, Stick.

In attendance: The Honourable Lester B. Pearson, Secretary of State for External Affairs, Mr. A. D. P. Heency, Under-Secretary, Mr. H. O. Moran, Assistant Under-Secretary, S. D. Hemsley, Chief of the Finance Division, and F. M. Tovell, Private Secretary to the Minister.

The Chairman welcomed His Excellency, A. H. J. Lovink, Netherlands Ambassador.

Item 84~~5~~,—Departmental Administration—was called.

Honourable Lester B. Pearson made a general statement on the world situation and was questioned on:

1. Formosa.
2. Proposed Japanese Treaty.
3. The Korean crisis.
4. Membership in The North Atlantic Pact.
5. The Iran question.
6. Western Germany, its armament and its relation to the defence of Europe.
7. International Service broadcasts and personnel.
8. The Pan American Union.
9. Canada's relations with the United States.
10. Allocation of commanders under the North Atlantic Council.
11. Nature of the European Army.
12. Shipping of strategic goods to Hong Kong and China.

At 5.50 the Committee adjourned until Friday, May 25, at 11 o'clock to hear again the Secretary of State for External Affairs.

ANTONIO PLOUFFE,

Clerk of the Committee.

MINUTES OF EVIDENCE

MAY 22, 1951.

The CHAIRMAN: Gentlemen, I will call the meeting to order. I thank you for coming so early and in such numbers, and I take that as a good omen for our future meetings.

We have the honour to have present the Honourable A. H. J. Lovink, Ambassador for the Netherlands. I hope he will realize that he is very welcome to attend any of our meetings and we appreciate his presence here this afternoon.

As you know, gentlemen, our reference is the estimates of the Department of External Affairs. We will start off with them now on this our first meeting. We have with us the minister, the Honourable Mr. Pearson, who, I understand, will address this committee, and he will be available throughout our proceedings. If it is your wish I will ask Mr. Pearson to make his statement and then this meeting will be open for discussion. I will now ask Mr. Pearson to come forward. Shall item 84 carry?

Hon. Mr. PEARSON: Mr. Chairman and members of the committee, I welcome this opportunity of appearing before you and subjecting myself to your questions on the work and policy of the department over which I have the honour to preside for the time being. I have not, Mr. Chairman, any prepared statement. I thought it would suit your wishes and the wishes of the members of the committee if I made a few introductory observations and then attempted to deal with points which will be raised by members of the committee. I assume, Mr. Chairman, that the procedure of the committee will be similar to that which was followed, I think quite successfully, last year. The administration of the department and the expenditures of the department will receive careful scrutiny and the officials of the department will be on hand to deal with the details of expenditures and explanations concerning them. I need hardly say that I am available not only for this meeting but any meeting of the committee at which my presence is desired, and more particularly for the purpose of dealing with questions of policy—the policy of the government in this field—with which it would not, of course, be appropriate or desirable for the officials to deal.

In so far as the administration and organization of the department at home and abroad are concerned our aims this year, even more I think than in other years because of the special exigencies of the situation, has been to keep expenses down to a minimum, and I think we have; although I am no doubt a prejudiced witness, I think we have succeeded in that desire. You will note that from the estimates, and you will be able to confirm that, I hope, through supplementary information that will be available; we have reduced our expenses, and we have reduced our members, we hope, without any sacrifice of efficiency. I am inclined to think that this is an achievement in which we can have some pride, because the Department of External Affairs through circumstances over which we have no control is a department which is dealing with an increasing amount of business. That is inherent in the nature of international developments these days. We are for that reason a growing department and our business is growing all the time, international business generally is growing. However we have attempted during the past year and will attempt during the present year to deal with this increasing amount of business with the same or indeed with a reduced staff. That has meant that we have had to pay particular attention to the efficiency of our operations and that the members of the department have

had to work even harder than they have in the past. I may say quite frankly, Mr. Chairman, that we are getting a little worried lest perhaps we are going too far in this respect, because I would not like to think and I know the committee would not desire that because of a lack of staff we should not be able adequately to take care of the international problems that face us these days.

We have not made any provision in our plans this year for any expansion of our departmental activities. We have not yet, I think, reached the limit of such expansion, but there have been circumstances this year which seem to make it desirable not to open any new offices. We are under almost continuous pressure from countries, who wish to be represented in Canada for reasons which seem important to them, to reciprocate by opening diplomatic missions in their countries; it is difficult for a country to send a diplomatic representative to Ottawa if we are not able to reciprocate. This inability of ours to reciprocate—and I am not complaining about it, it is a question of policy that we should not do so under present circumstances—has at times left us open to a certain embarrassment. It is not easy for us to explain to these countries where we have no diplomatic representation, we are not able to have such representation. However, at the present time and under the present circumstances we are not taking any steps of that kind. I remember one country which shall be nameless which complained quite firmly that our reasons for not exchanging diplomatic representation were not very impressive. We explained that we were devoting all our energies and resources during the present emergency to defence; the reply to that was that the furtherance of international relations amongst friendly countries was a serious aspect of defence, and furthermore that some of the countries which we are hoping to be able to assist in defence these days through mutual aid are actually maintaining diplomatic representation in countries where Canada is not represented. I mention this merely to indicate that we are not a static department.

I feel that in view of the growing importance of Canada and the growing importance of international problems for Canada we will not be able to resist pressure for the extension of our foreign representation when circumstances make that extension desirable and possible.

What I have said about the department at home in the matter of keeping down expenses and staff applies also abroad, and I hope we will be able to produce evidence that will support my statements and that you will be able to elicit that evidence and make up your own minds on it. As has been the case in past years there will probably be a good many detailed questions of administration and organization which I will be glad to discuss with you later if that is required, but I think, Mr. Chairman, that is all I need to say about that aspect of our work at the present time. Possibly some of these details may be brought up later for discussion this afternoon, but I would rather hope we could postpone discussion of administrative questions to a subsequent meeting. However, I am in the hands of the committee.

Then there is the other side, and the most important side of our work, the policies of the government which it is the duty of the department to administer and carry out. Linked with that subject, of course, is the general international picture. I suppose you expect me to say a word or two about that, but I would prefer to make any extended comments on questions which may arise—there may be particular aspects of the international situation which are of interest to you and which I could deal with as such. I know also you will understand, as the committee always has understood in the past, that there will be some matters which I cannot discuss in public session and indeed which I should not discuss; but within the four corners of that limitation, which I think will be accepted by us all, I will be happy to be as full and frank as possible when dealing with questions of policy.

The general international picture has, of course, changed radically since we met last year as a committee, and the most dramatic expression of that change has been the war in Korea. We have had a great deal of discussion in the House about that conflict and the Canadian policy in regard to it; and I do not think it would be necessary for me to make any general observations on that subject at the present time. Just now, as I said in the House recently, the efforts of United Nations diplomacy to bring that conflict to an end are subordinated to the efforts of United Nations forces in the field to the same end. That does not mean I hope that any of us lose sight of the importance of ending this conflict by negotiation. As far as I am concerned I attach as much importance to that now as I did during the days of December and January when I was very intimately concerned with that process; but the Chinese communist government in Peiping have repudiated a negotiated settlement in no uncertain terms. While the battle wages—and indeed rages—in Korea, it is difficult to see what the United Nations, or what an agency of the United Nations can do at this time to start the wheels of negotiation going again. This does not mean, of course, that no thought is being given to that. It is being given by the governments most concerned and we are exchanging views with those governments on possible ways of reaching a negotiated settlement which would be an honourable settlement—the only one which we have ever contemplated—one that would not betray the purposes and principles of the United Nations charter; and one that would not constitute a reward for aggression.

At the moment, however, little progress has been made in that direction and the fault, of course, lies in Peiping. There has been a good deal of rumour lately that the authorities in Peiping, and in Moscow—and these latter are of course, concerned with this aggression—have been throwing out feelers for a negotiated settlement. We have no information in the department, nor have we been able to elicit any information from other governments which would support any confirmation of these rumours. We can only hope, however, that those who have brought about this aggression and are continuing it in defiance of the United Nations, will soon realize that they have no hope for success and that they had better canvass the situation to see if the conflict can be ended by negotiation. I suspect that one reason for these rumours is the improved military situation in Korea itself. The best military information we can get leads us to be reasonably optimistic that the Chinese communists with their north Korean allies will not be able to achieve a military victory in the field—unless they deploy far greater resources of men and material than they have in the past—which means they would have to get some assistance from some other quarters. The news of the last twenty-four hours seems to vindicate that optimism. At a time when the military situation has improved our thoughts naturally turn to negotiation because we can then negotiate from strength rather than the relative weakness of last December. It was not an easy job to talk of a peaceful settlement to a government in the flush and excitement of the ephemeral military triumphs its forces had been able to achieve over a greatly outnumbered enemy last December. It may be that they feel a little differently now—I do not know; I hope so.

If I can leave Korea for the moment, and no doubt we will come back to it, there is a question which though not related directly to the conflict, is important—the question of the Japanese peace settlement. I have no doubt members would like to know something about that. All I need to say at this time is that very real progress has been made in the last month or so in the negotiation of a Japanese peace treaty, the initiative for which has been taken by the United States. We had thought a year or two ago that the procedure in regard to a Japanese peace treaty would be somewhat as follows: that a treaty would be drawn up by a small committee of the powers principally concerned; that the

draft would be submitted to a Japanese peace conference which would include all of the countries which had been at war with Japan, and, by a process of discussion and negotiation at that conference an agreed draft would be reached which could be signed at a conference.

It does not look as if that procedure can be followed now. In fact, it is not the procedure that is being followed now. The United States has submitted a draft of a peace treaty to certain associated powers of the Pacific, and also to the USSR, and has asked for comments from those separate governments on that draft. It will take those comments into consideration. It is doing that now and a second draft will soon be circulated. As soon as agreement can be reached—the treaty will be signed at a conference which will be called merely for the purpose of signing. The work will all have to be done before the conference is summoned.

Very considerable progress has been made in that direction. The points of difference in the countries concerned have been narrowed; they have not yet been removed. The United Kingdom has been a very active member in the process of drafting and has indeed, I believe, submitted a draft of its own. We have submitted our own detailed comments on these drafts and I am optimistic enough to hope that before the summer is over we will have an agreed text of a Japanese peace treaty.

It does not look as if that text will be signed by the USSR. They have submitted a counter proposal for the formulation of a Japanese peace treaty which is quite unacceptable to the United States and I should think to other people.

There remains the very serious problem of China in a Japanese peace treaty. Everybody agrees that China should be invited to a Japanese peace conference; China should sign a Japanese peace treaty. Such a treaty without the inclusion of China would seem to be a little unreal, but there is not that same measure of agreement as to who should sign for China—and that difficulty and that difference is tied up with the whole question of recognition of the communist government in Peiping. It is quite ridiculous to think the United States could accept, under present circumstances, the signature of a representative of the Chinese communist government. I am not arguing the merits of that case but it is quite ridiculous to think the United States could be expected to accept that. That is not to say that other countries would be able to accept the signature of the Nationalist government on Formosa as representing China at a Japanese peace treaty. Therefore, that problem remains.

One possible method of solution, never a very satisfactory method of solution, is to postpone the question of who shall sign for China, and allow the rest of us to go ahead. I do not know whether that device will be adopted.

Moving down from Japan—and I am doing my well-known tour around the world now—

Mr. FRASER: By air?

Hon. Mr. PEARSON: By air, and at very little expense to the government this time.

I will not be able to stop at all spots on the way around but Indo-China is of course an important part of Asia. The situation there seems considerably better than it was a few months ago when we had reason to believe that the communist forces of Ho Chi Minh, with whatever support they were getting from China, might be able to do very serious damage indeed to the government of Bao Dai. The military situation seems to have been stabilized to some extent. It is due, I suppose, to the strength of the French there under vigorous leadership and, also I hope, to the fact that the Viet Nam government is better established now than it was a year ago in more ways than one, and it is commanding more support. In any event, the situation is better. It may be that

one reason for that improved situation is the preoccupation of the Chinese government in Peiping with other issues in Korea. The utilization by the Chinese of such strong forces in Korea may have resulted in easing of the tension in other areas of Asia. I say it may have—it may even make the situation a little easier about Hong Kong.

I am not going to say anything about India, Pakistan, or Indonesia at this time; I am jumping those great countries and no doubt we will be able to discuss them later.

Then, we come to Iran which, I suppose at the present time is about the most explosive, and about the most tense place in the world—with the exception of that area of Korea where the fighting is actually going on. The possibility of serious damage to the democratic cause, from the wrong kind of development in Iran, is very great indeed. As you know, the oil supplies of Iran are very important. It would be serious if they were lost to the free world; it would be worse if they were diverted to other people. I am not suggesting that is necessarily going to happen because very strenuous efforts indeed are being made to bring about a solution to this difficulty which will reconcile the national aspirations of the Iranian government and people to control their own oil resources, and the inevitability, from any point of view, of someone assisting them in the management of those resources. It is quite obvious they would not be able to operate, administer and manage their own oil resources at the present time without such assistance, and we must hope that the reconciliation I have mentioned can be made.

In the middle east the Levant remains an important part of our defence and there are elements of disturbance there. One must note with regret of course the impossibility at the present time of the Arab world to establish a *modus vivendi* with the state of Israel, and the disturbances that have been developing on the border of Israel and Syria.

Going north we come to the Balkans. The most important spot there, from the point of view of our defence interests at the present time, I suppose, is Yugoslavia. The Yugoslavians are in very considerable economic difficulty as a result of the bad harvests of last year and as a result of the economic pressure being brought to bear on them by the Cominform countries; but they have stood up to those difficulties extremely well and have not shown a disposition of any kind to submit to this Cominform pressure. It has become an important part of the United States and western European policy to give to Yugoslavia all possible support in its resistance to any threat of aggression, economic or otherwise; and the relations between Yugoslavia and the western world are closer than they were.

Now we come to western Europe, and that brings up the whole question of the North Atlantic developments and the relationship, more particularly, of Germany to those developments. The western European countries are in the process of strengthening themselves militarily and economically. They are making far greater defensive efforts under the North Atlantic arrangements than they were able to make a year ago; and I think that the general situation for that reason is better than it was at that time. They have been getting fine leadership from General Eisenhower in the formation of the integrated NATO force. But there are some important problems which have not been settled. One of the most important of those problems is the relationship of western Germany to western European defence, and how western Germany can be associated with other free nations in the defence of the western world against communist aggression. It is a tough problem, I do not need to tell you, and one which has political, strategic, economic, and even moral implications. But encouraging progress has been made.

A conference has been taking place in Paris on the way by which Germany can be militarily associated with the western European countries; and the gap between both France and some of the other countries and Germany in this regard has certainly been narrowed in the last month or so. That is a cause for encouragement.

There are a good many other questions that I could discuss, but I think I can leap across the Atlantic now from western Europe and, with your permission, rest easily again in Ottawa, until you begin to move me away.

So if you will permit it, I will finish my general remarks there and try to deal with any question which may arise out of what I have said or, indeed, out of what I have not said.

The CHAIRMAN: Are you able to say a few words about Formosa?

Hon. Mr. PEARSON: Well, I missed Formosa in my jump from Japan to Indo-China. The Formosan problem—I suppose we can call it that—is a very real one. The Declaration of Cairo which was drawn up in 1943 said that Formosa should, as a part of the peace settlement, be returned to China. Those countries which signed the Declaration of Cairo, and those who gave acceptance to it afterwards—we indicated at that time in Canada our approval of that declaration, again because of facts as they were in 1943—said that Formosa should become a part of China in the peace settlement.

But there are other provisions of the Declaration of Cairo which have not been carried out and possibly it may be that some of the countries feel they should not be held to a literal implementation of that declaration if other parts of it are not carried out. Nothing has been done about the implementation of the Declaration of Cairo concerning Formosa because of the inability to bring about a Japanese peace settlement. That was the situation when the Korean aggression began.

At the beginning of the North Korea attack the United States government said that in order to protect the flank of the United Nations forces against the aggressors, Formosa would have to be neutralized in this conflict. Therefore they extended the protection of the United States Seventh Fleet to the waters around Formosa and they also—I am not sure in what form it was done—tried to make sure that the Nationalist army in Formosa would not provoke a new struggle by action against continental China.

As the hostility of the Chinese communist government to United Nations action in Korea became more implacable and more aggressive and expressed itself in military action, so the position of certain other states in regard to the disposition of Formosa began to harden; and it is now felt in some quarters that Formosa cannot be returned to any Chinese government as a result of any settlement, if that Chinese government is unfriendly and hostile to the free democracies.

I think, without going into the merits of the case one way or the other, Mr. Chairman, it is correct to say that our policy as a government has been to avoid any action, even from Formosa, which would extend the conflict into China but at the same time, to realize that while the Chinese communists are taking aggressive military action in Korea, it is not possible even to consider turning over of Formosa to them.

I am not prepared to say anything about the eventual solution at this time. I hope possibly in that eventual solution some people who are now overlooked in this matter, I mean the people of Formosa themselves, might be given some consideration. I do not know what they would decide if they were asked what they wanted to do. I suspect, however, that their decision might be a surprising one.

Mr. STICK: Might I ask a question, Mr. Chairman? It seems to me that there is a big difference of opinion between the United Kingdom and the

United States over Formosa. It looks to me a little as if the United Kingdom wants to pass Formosa over to the communists, whereas the United States takes the opposite position. As I see it, for I am only an amateur at this game, if Formosa should go to the communists, we would then have Japan out-flanked on both the north and the south; and it would also pen up the Philippines to communist penetration, as well as the islands to the west, I mean the Indonesian Archipelago. I think also that Australia would be concerned if that should happen. I wonder if the minister would care to comment on the difference between the United Kingdom and the United States with regard to that position?

Hon. Mr. PEARSON: There is a difference, of course, between the United Kingdom and the United States, but I am not sure that it is as wide as sometimes is suggested in the press.

Mr. STICK: What is our present position with regard to it?

Hon. Mr. PEARSON: Our present position with regard to it is that we should postpone any discussion or decision on this matter until we bring the Korean war to an end. Also we feel we are still bound by the Statement of Principles of the United Nations of January 12 which was accepted by all the members of the United Nations except the Soviet bloc and one or two countries which abstained.

That statement of principles laid down the basis for a possible solution of Far Eastern problems including Korea. In fact, Korea was the main problem. And if you read that Statement of Principles you will discover—no doubt you have read it—that we commit ourselves to a willingness to discuss with the Chinese communist government the question of Formosa, once there has been a satisfactory cease-fire negotiated in Korea and once steps have been taken to settle the Korean problem. We will then be willing to discuss with the Chinese government in Peiping other Far Eastern problems including Formosa, and in recognition, in accordance with principles already laid down in international agreements covering these problems. These would include the Cairo Declaration, and they would also include the United Nations Charter.

So we have not taken a final position, any more than Great Britain has taken a final position, nor are we anxious or willing to take such a position at this time that Formosa must not in any circumstances be returned to China if there is a government in Peiping of which we do not approve. We think that tying ourselves down to that kind of position at this time would not give us very much ground on which to manoeuvre. Moreover, conditions may change in the future. And to say now that no government in Peiping of which we do not approve—if you want me to call it a communist government, I do not mind—that no government of that kind in Peiping can expect any agreement on the part of other countries to the return of Formosa to the Chinese, would be going too far, we think, in the present circumstances.

Mr. STICK: Would the question of Formosa hinder the signing of a Japanese peace treaty?

Hon. Mr. PEARSON: I hope it won't hinder the signing of a Japanese peace treaty in so far as we are concerned or other countries are concerned, because we have considered that matter in our discussions of the draft treaty. But it would certainly be an important factor in any Chinese attitude to a Japanese peace treaty.

Mr. GOODE: Would it be possible for the members of the committee to have a copy of that statement of principles?

Hon. Mr. PEARSON: Yes. It is in the White Paper which was circulated to all members with the documents on the Korean crisis.

Mr. GOODE: I do not remember it.

Hon. Mr. PEARSON: You will have it; and it will be found at page 28.

Mr. HEENEY: It is dated January 11.

Hon. Mr. PEARSON: It is called "Supplementary Report of the group on cease fire in Korea". The statement of principles is included in it.

Mr. COLDWELL: How many of them were printed?

Mr. GOODE: I do not remember getting one.

Hon. Mr. PEARSON: It was tabled in the House, as I recollect it, and circulated to all members.

Mr. COLDWELL: How many copies of it were printed?

Mr. HEENEY: I do not remember, off hand, but I could find out for you.

Mr. COLDWELL: There is not sufficient of that kind of thing placed in the hands of the general public of Canada for them to understand this matter. I know that I asked for a number of copies on one occasion, but I could not get any.

Mr. CROLL: Policy varies so quickly that they won't be up to date.

Hon. Mr. PEARSON: We printed all we could afford to!

Mr. CROLL: When you were delivering your speech I could not interrupt you, but has any member of this committee ever told you to curtail your activities because of the expense?

Hon. Mr. PEARSON: I never said that this committee had.

Mr. CROLL: The House has always taken its duties from you and has never attacked the expenditure.

Hon. Mr. PEARSON: I am very glad to hear that. I gave utterance to my own worries.

The CHAIRMAN: Could the minister be allowed to carry on, and when he finishes the question period can come on? The minister says he has finished. Are there any questions? Should we have a rotating system?

Mr. DECORE: Would the minister be permitted to express his opinion as to what extent we can rely upon Yugoslavia if war should come with Russia? It is true they are anti-Russian, but it is also true they are very much communist. So how much can we depend on Yugoslavia for assistance?

Hon. Mr. PEARSON: I doubt very much if I should express any opinion as to what extent we could count on any particular government for assistance in an emergency or in a war, and whether that government would carry out its obligations under the United Nations charter after another country had been attacked. That is what you are asking me; and I would not care to comment on the likelihood of any government either carrying out or defaulting on its obligations. I think it would be more appropriate for me to comment on the policy of our own government in respect to any other government. I might have my own views about others and of course I know that you have to take your own views into consideration in the formulation of policy; but I do not think I should express my views about any other government in public.

Mr. GRAYDON: Have there been any developments leading to an enlargement of the number of members under the North Atlantic Pact?

Hon. Mr. PEARSON: That is a very important question and it also is one which I discuss with a little embarrassment because we are right in the middle of this matter now; but I would like to explain the situation to the committee. Last September, at the meeting of the North Atlantic Council the question of the association of Greece and Turkey with the North Atlantic organization was introduced. At that time it was decided that while no decision could then be reached regarding membership of these two governments or regarding their accession to the North Atlantic Pact, it was felt that there should be an examination of ways and means by which they could be more closely associated with military planning under North Atlantic arrangements; particularly in the Mediterranean and the Middle East. Steps have been taken to implement that

suggestion, but meanwhile it has been felt in certain quarters and more particularly, I think, in the United States—I think I can say that because the United States has declared itself on this matter—that we should consider as a matter of some urgency the question of a closer association or indeed even membership of Turkey and Greece in the North Atlantic organization. That matter is under very active consideration at this moment, and views are being exchanged about it with the governments concerned and, of course, with the governments of Turkey and Greece who are among those most concerned.

There are two main considerations involved, one is strategic and the other is political. The strategic aspect of the question is how would the closer association of Greece and Turkey with the North Atlantic organization add to the defensive strength of us all, including Greece and Turkey, and how would that help to deter war? As you know, Greece has a well armed and well equipped army composed of men who know how to fight and who are fighting with great courage in Korea.

Mr. COTE: Greece, did you say?

Hon. Mr. PEARSON: I meant Turkey. And the Greeks have also been putting up a strong and courageous struggle against communist aggression in the Balkans. That is the strategic side, just touching on it. On the political side we are trying to build up under the North Atlantic Pact a group of free democratic states whose association will be not only military but who will be closely associated in other ways.

Mr. FRASER: Trade?

Hon. Mr. PEARSON: Well, trade, yes, certainly trade. That is a slow process, especially in a time when we have to put so much of the emphasis on strategy and defence, but it is an objective we all hope to achieve; that is why we put Article II in the Pact and why we still attach importance to that Article. So we have to examine the question as to whether the objectives of Article II of the North Atlantic Treaty would be further advanced by full membership of these countries who are completely outside the Atlantic area. I believe that is all I can say about that subject at this time.

Mr. GRAYDON: Are there any other nations besides Greece and Turkey considered as possible members?

Hon. Mr. PEARSON: Well, that is always possible and is one aspect of the problem; we believe if you extend your membership in this way you may invite applications for membership from others who would not have considered membership if it had not already been extended.

The CHAIRMAN: Is there anything definite about Italy and Spain?

Hon. Mr. PEARSON: Italy of course is already a full member of the organization and a very valuable and co-operating member. The question of Spanish association with the North Atlantic organization is a matter which has been given some consideration but not as active consideration at the present time as that given to Greece and Turkey.

The CHAIRMAN: Is Sweden a member?

Hon. Mr. PEARSON: No, Sweden is not a member. Sweden was invited to be one but decided not to join the Organization.

Mr. GOODE: Mr. Chairman, I would like to go back to one of Mr. Pearson's statements made as he was discussing Iran. He expressed concern there and I think every member of this committee will agree that there is a good deal of concern to be felt over that situation. What, Mr. Minister, is the position of Iran with respect to the rest of the Arab world? Should there be trouble, for instance, in Iran, how much influence would they have on the rest of the Arab world? Are you free to answer that?

Hon. Mr. PEARSON: I am not free to answer that and I do not think my opinion would be of very great value. I am not expert enough nor knowledgeable enough, on the association of Iran with the other Moslem countries to express an opinion whether trouble in Iran might provoke trouble in other countries in that part of the world.

Mr. GOODE: Is there any one of your associates who could answer a question such as that a little later on? Have you an expert on current affairs in that part of the world?

Hon. Mr. PEARSON: I do not think anyone would like to say more than I have said. Iran is a Moslem country and the other countries of the Moslem world would tend to be more than usually interested in anything that went on in Iran, but I do not think I can go much further than that.

Mr. FRASER: Could you say how we are interested? Is Canada interested there financially or in any other way?

Hon. Mr. PEARSON: We have no direct interest.

Mr. FRASER: Indirect, then?

Hon. Mr. PEARSON: We have of course a very great interest, and it is more than indirect, in peace, and anything that would disturb the peace in Iran and result in chaos and confusion, and worse, in Iran would certainly be of direct interest to Canadians.

Mr. FRASER: And to the United States too. That is likely why the stock market has gone the way it has.

Mr. CROLL: Mr. Chairman, is that not outside the scope of this committee?

Mr. BATER: Mr. Chairman, I do not know whether my question would be a fair one or not, but the minister in his figurative tour around the globe mentioned Western Germany, and I would like to ask the minister if it is causing concern that a large number of votes recorded recently in a western German election were cast for the Hitler Nazi party?

Hon. Mr. PEARSON: That matter, of course, caused some concern, as it must, to any democratic country but it is desirable to look at it in proper perspective. The election in question was not a western German election but an election in one of the subdivisions, in one of the provinces if you would like to call it that, of Germany. In that election this party, which has some at least superficial similarity to the old Nazi organization, polled, I think, about 11 per cent of the votes—between ten and eleven per cent, if I remember correctly. That is a cause for anxiety but not too much alarm in the circumstances. After all, 89 per cent of the voters voted for the other parties when they could have voted for this particular party which has some resemblance to the old Nazi party.

Mr. MACNAUGHTON: Mr. Chairman, I wonder if we might come close to home? Last Friday there was a tremendous opening of the new C.B.C. headquarters building in Montreal, which, by the way, local members were not invited to attend,—but coming back to my question—

Mr. CROLL: In the first place that should have been in Toronto; it should not have been built in Montreal.

Mr. FRASER: Peterborough is half way between and that would have been a good site.

Mr. MACNAUGHTON: Coming back to my point, and it is quite a serious one now that we have tremendous facilities for international broadcasting on short wave, I would like to know just what the relationship is between the External Affairs department and the C.B.C., governing policy. Do you co-operate at all with the Canadian Broadcasting Corporation and who is the responsible head for opinions given over Radio Canada, which is supposed to

be the voice of Canada so far as Europe and the rest of the world is concerned? Would you tell us just what the relationship is between External Affairs and the Canadian Broadcasting Corporation international short wave?

Hon. Mr. PEARSON: I can give you a short statement on it now, but I will be glad to look into it and give you a more detailed statement later on.

Mr. MACNAUGHTON: Because I understand it cost some \$1,600,000, at least.

Hon. Mr. PEARSON: That is right. What I say now will be concerned only with the relationship of the Department of External Affairs to this international service and I would like, Mr. Chairman, to supplement these brief observations with some others which I might wish to make at the next meeting or at a meeting after that when I will have been able to inform myself in a more detailed way.

The terms of the order in council establishing the international service of the Canadian Broadcasting Corporation provides that that service work in consultation with the Department of External Affairs. In the earlier days of the service that consultation was not as effective as might have been desired, I think, but since early in 1950 it has been more effective because steps were taken then to broaden the scope of this consultation and to appoint an officer of the Department of External Affairs who would be liaison officer with the Canadian Broadcasting Corporation I.S. Indeed, we stationed an officer in the international service for some six months to familiarize himself with its procedures and its operations. Now, at the present time, we confer continuously with the international service on matters of policy and we provide that service with policy guidance memoranda, which are supposed to govern the policy side of their broadcasting to foreign countries. These policy guidance papers naturally change as the international situation changes, and that is for obvious reasons. We might wish to adopt a certain line in our broadcasting to a country at one time which would be quite inappropriate a year from that time; so we do keep in continuous contact with them, in regard to policy. We do not, of course, tell them how they will carry out that policy. We do not write their scripts, and I think I am right in saying that we do not censor their scripts, but we examine all their scripts afterwards and if, in our opinion, they depart from the policy laid down we bring it to their attention.

Mr. MACNAUGHTON: Who is in charge of that for External Affairs?

Hon. Mr. PEARSON: Our officer in the department in charge of that is Mr. Charles Ritchie.

Mr. MACNAUGHTON: Do you look after screening at all?

Hon. Mr. PEARSON: Of their employees?

Mr. MACNAUGHTON: I presume not, of theirs, but you must be very careful, I assume?

Hon. Mr. PEARSON: The responsibility for screening of employees of the international service, as in other places, belongs to the Canadian Broadcasting Corporation. I stated in the House the other night that all their employees in the international service are now screened.

Mr. LESAGE: The Department of External Affairs has nothing to do regarding the hiring of C.B.C. personnel?

Hon. Mr. PEARSON: No, we have no control over the employing of personnel.

Mr. STICK: May I ask the minister a question, one which may be somewhat outside the scope of what we have been discussing and it may be a hot one, I mean. Really, I am not concerned over it, but what is our position with regard to the Pan American Union? Is there anything in that?

Hon. Mr. PEARSON: There is nothing very hot about it.

Mr. STICK: There may be if it is brought up.

Hon. Mr. PEARSON: Our position on that was stated some time ago. Let me see if I can remember what was said then.

Mr. STICK: The reason I am asking the question is that our association with countries outside of the United States is becoming more active all the time and more cordial too, and the question has to be faced some day.

Hon. Mr. PEARSON: May I read into the record what the Prime Minister said, in a public statement, a couple of years ago. It remains our policy in regard to the Pan American Union and to some extent inter-American co-operation. He said at that time,

Our government has been giving thought to Pan American Union over a great many years and our relations with the members of the Pan American Union . . . have always been most satisfactory. The angle from which this has been examined is as to whether our actual participation in the Pan American Union would be productive of any real advantage for any of its members. Our cultural, our trade relations, with member states of the Pan American Union, have always been very good and they will improve constantly. So far it has not appeared to us that there would be any decided advantage in a formal membership in the Pan American Union. At the present time we consider it much more important to bring about . . . "

And he went on to talk about the development of the North Atlantic community.

Mr. STICK: Has there been any invitation from the other people for us to participate in the Pan American Union?

Hon. Mr. PEARSON: No, we have never been formally invited to join the Pan American Union. I do not want to attempt to deceive you by that kind of a reply. When I say formal invitation that does not mean that it has not been intimated to us by individual countries on occasions that they would like to have Canada in the Union. At one time, although I do not think this is the case at the present time—I do not know but I do not think it is—at one time the United States showed some reluctance to have Canada a member of the Pan American Union. That was some years ago.

Mr. COLDWELL: Didn't one of the presidents actually advise against it?

Hon. Mr. PEARSON: Yes. At one time in a publication in Washington, in a Department of State paper, I think it was away back in the 1920's—

Mr. COLDWELL: Yes.

Hon. Mr. PEARSON: — a document was included—I think by oversight or else they assumed that no Canadian would ever read the volume—a document of instructions to the United States delegation in the Pan American meeting at Havana.

Mr. COLDWELL: It was in Coolidge's time. Did not President Coolidge instruct the U.S. delegates not to support Canada's admission to the Pan American Union?

Hon. Mr. PEARSON: It was away back in the '20's—1927 or 1928. That document indicated that if the question of Canada's membership in the Union came up the United States delegation was to adopt a very cool attitude towards the matter. I am not suggesting for a minute that that would be the situation now.

Mr. STICK: I agree. Have we an observer there now?

Hon. Mr. PEARSON: We follow their meetings and we participate in some Pan American technical organizations and technical conferences when the subjects are of practical importance to Canada; we are invited to a good many of them including a conference in the Dominican Republic not long ago which was referred to in the House the other day.

Mr. FRASER: And Leo Dolan, our travel and publicity chief, has been invited there, has he not?

Mr. COTE: Coming back to the question of short wave broadcasts and such over the C.B.C., have you any report that these broadcasts have been listened to in the iron curtain countries?

Hon. Mr. PEARSON: Yes, we do have such reports and there is rather impressive evidence that they are listened to in a country like Czechoslovakia.

Mr. COTE: How about Poland?

Hon. Mr. PEARSON: I would not like to say very much about that without looking into the matter; it is very important that we be careful what we say in respect to this particular service if it is to be of any value in what I might call, with some hesitation, psychological warfare.

Mr. DECORE: While we are on that question may I ask the minister what is the policy of the government with regard to any programs put over to countries behind the iron curtain?

Hon. Mr. PEARSON: Well, that is exactly the type of question I would like to answer at my next meeting, sir. I do not like to and I would not want to toss off a casual answer to such an important question. I would also like to emphasize that if these broadcasts constitute, as I think they do, an important form of psychological warfare it is of some importance that we do not give away completely our plans or details of our directives; but subject to that qualification I think I can say something about it at the next meeting.

Mr. CROLL: Is the minister discussing publicly our relations with the United States these days or are we going to continue our travelogue? Are you going on with your statement or have you finished?

Hon. Mr. PEARSON: I am finished. I got home from my tour from Europe to Ottawa without disembarking at New York.

Mr. CROLL: Then do you mind making a detour. I doubt if you can answer this. If not, you can shut me up. I want to know if you could elaborate on the statement which you made sometime ago, and I think I quote you correctly, when you said that the days of relatively easy, automatic relations with the United States are over. Now, is that the statement? Do you want to take time or are you prepared to answer that now? Would you prefer to deal with it at some other time?

Hon. Mr. PEARSON: I would be glad to deal with that statement to which some attention has been directed here and there; as a matter of fact, I did attempt to deal with it in a public statement subsequent to the one where I made that remark. I am referring to a speech I made in Ottawa a week or so later to the Kiwanis Club—I am not sure with what success I explained what I meant by my remark that the days of relatively easy automatic relations with the United States are over. I think I had better quote exactly what I said. I am very anxious to put my exact words on the record. I said in Toronto:

There may be other ripples on the surface of our friendship in the days ahead, but we should do everything we can in Canada, and this applies especially to the Government, and in the Government particularly to the Department of External Affairs, to prevent these ripples becoming angry waves which may weaken the foundation of our friendship. I do not think that this will happen. It will certainly be less likely to happen, however, if we face the problems frankly and openly of our mutual relationship. That relationship, as I see it, means marching with the United States in the pursuit of the objectives which we share. It does not mean being pulled along, or loitering behind.

And then in ending, I said:

Nevertheless, the days of relatively easy and automatic political relations with our neighbour are, I think, over.

And then, in the same speech I went on to say, to explain—possibly I should have done it a little more effectively—what I meant by that. I said:

They are over because—on our side, we are more important in the continental and international scheme of things, and we loom more largely now as an important element in United States and in free world plans for defence and development. They are over also because the United States is now the dominating world power on the side of freedom. Our pre-occupation is no longer whether the United States will discharge her international responsibilities, but how she will do it and how the rest of us will be involved.

Now, what I had in mind there was that in the old days, and by that I do not mean going back very far, in the days before World War II, our problems with the United States which were always important to us, whether they were to the United States or not, and often difficult to settle, were bilateral problems. They were problems which concerned specifically and at times exclusively our relations with the United States. They were line fence problems. They were border problems. They were smuggling problems. They were commercial problems. They were waterways problems. A lot of things were difficult and a lot of them were very important to us, but these questions never involved peace or war. It is inconceivable that we would ever be at war with the United States—inconceivable in Washington and inconceivable in Ottawa. So, we never felt that we would fail in the solution of these problems with the United States—these bilateral problems. They were neighbourly problems and were solved sometimes after a good deal of argument, but they were solved in a neighbourly spirit. Now, we still have those problems but our main problems with the United States now are those arising out of relations with the leader of a world coalition, the policies of which will decide peace or war. It is never going to be easy in a coalition of this kind. In the circumstances in which we find ourselves today—in a cold war—it is never going to be easy to reach an automatic solution to these problems not only with respect to the United States and ourselves but with respect to the United States and the United Kingdom, and other members of the coalition.

That is what I meant when I said that the days of these border problems, these neighbourly problems which were relatively easily and automatically solved, are gone. Our big problem now is how to make the coalition, the leader of which is the United States, work. The decisions of the coalition, primarily decisions of the United States, may well involve us in war or help us keep the peace.

I think there is some validity for that distinction between our current problems with the United States and the problems of yesterday. I am not suggesting that we cannot work out these problems with the United States within the alliance and with the United Kingdom and other members of the alliance—of course we can, but it is not always going to be easy. It is going to require more attention, more compromise, more give and take than possibly the solutions of the older bilateral problems required.

Mr. COTE: Mr. Chairman, I should think we should thank the honourable minister for clarifying his statement which will, I am sure, prevent any further discussion.

Mr. QUELCH: Mr. Chairman, I would like to ask the minister to tell us what is the latest development in regard to the participation by western Germany in the defence of Europe? Have the member nations of the North Atlantic

Treaty agreed among themselves on the extent to which that participation should take place, and if so, has western Germany agreed to participate in that way?

Hon. Mr. PEARSON: I can mention that situation briefly. We discussed at a meeting of the North Atlantic Council how Germany could be associated in the defence of freedom in Europe with the other North Atlantic countries, and, as you know, that aroused a good deal of anxiety and hesitation in certain countries—lest we had taken action too precipitately. The French government was particularly concerned with the effect of a decision of that kind on its own public opinion—if we were Frenchmen we would understand the problem better than we are able to understand it here across the Atlantic where the Germans, in the last fifty years, have not been able to get at us. At the same time the French government and other western European governments appreciated the desirability of associating free democratic Germany in some form with the defence of western Europe. It was not so much a question of the re-armament of Germany, it was also a question of what we could do in the face of the re-armament of communist eastern Germany—a process which had begun at that time.

Subsequent to that North Atlantic Council meeting there were many exchanges of view between governments and it was agreed that there should be, prior to any decision on this matter in the North Atlantic organization, a conference in Paris between the western European countries—the continental countries—initiated by France which the Germans should attend, to see how German forces could be integrated into a European army which would be part of the North Atlantic forces.

It would be one thing to include a German army in the North Atlantic organization—a German army with a German general staff. That was one thing that raised a good deal of anxiety—more than anxiety. It was another thing to include in the North Atlantic integrated forces a European army which would include German contingents, French contingents, Netherlands contingents, and Belgian contingents. If the secondary problem could be solved—then it was felt that Germany's military association with the North Atlantic organization would be much simpler. For some months this conference has been going on in Paris, attended by German military and German political representatives, working out an army in which there should be German contingents as well as contingents of other European countries and which would be a European army. The most important point at issue is what should be the size of the German contingents in this European force.

Mr. CROLL: Mr. Chairman, what do we know for sure about the strength of German armament in eastern Germany?

Hon. Mr. PEARSON: We know a good deal but I do not think I should give the details. We are in possession of pretty accurate information as to the size and strength and the composition of what are known as *Bereitschaften*, the armed German formations in eastern Germany.

Mr. CROLL: I have seen some American reports published on that. I have not the details but I have seen some very detailed reports in the American press on that. What I am thinking of—unless it is secret—

Hon. Mr. PEARSON: I am sure I have seen figures too, but they are figures which have been advanced by commentators, and journalists and others who have information. I have, however, not seen any official figures given and I would not like publicly to confirm or deny the accuracy of the figures that do appear in print.

Mr. ROBINSON: On the same line, Mr. Chairman, I wonder if I might ask a general question perhaps by reading a quotation from a report by Mr. Warren

Baldwin in the *Globe and Mail* following General Eisenhower's visit to Ottawa some months ago. The report is as follows:

What he revealed this afternoon in a surprisingly brief meeting with the cabinet has aroused considerable interest in a government still shaping its defence plans to fit in with the collective effort in Europe, where, as Eisenhower put it in his one brief public statement, it is intended to build a wall behind which the free nations can live in peace and tranquillity.

My question is, as particularly as is possible for the minister to go, what is the situation with regard to the formation of the North Atlantic force in Europe? Has any high ranking military official given any opinion as to the possibility of building an effective military wall, and if it is felt that an effective military wall can be built, does the minister subscribe to the philosophy that we here in Canada can live in peace and tranquillity behind such a wall?

Mr. STICK: The Maginot line again.

Mr. ROBINSON: Does the minister subscribe to what seems to be a Maginot line type of philosophy?

The CHAIRMAN: Well, that question relates to military matters. Does the minister want to answer?

Hon. Mr. PEARSON: I can say something about it. A plan has been worked out by the North Atlantic military organization which is to be implemented by a certain date under General Eisenhower with the co-operation and the essential assistance of the countries concerned. In other words, a plan has been drawn up which is considered to be adequate—barely adequate—for the defence of Europe against unprovoked aggression. That plan, I can assure you, does not include in it anything of the Maginot line complex but you have to have a certain number of forces in being. It does not mean that until you decide on that number you are going to put them on a Maginot line. Now, General Eisenhower has this plan before him. He also has from the various governments concerned in the implementation of that plan an estimate of what they can do between now and the date when that plan is to be completed. There is a gap between those two. General Eisenhower and the governments concerned are now attempting to remove that gap and ensure that by a certain date—and I do not think I had better give the date now—there will be forces in being in western Europe of sufficient strength to convince any would-be aggressor that he will not be able to get away with easy aggression. He may think that is possible now if he wished to try, but when this plan is completed he will have no illusion on this score. We hope that once this is made clear to him, and it can only be made clear to him by building up the strength required, he will give up any thought he may have had of a quick and easy aggression against western Europe.

Mr. GRAYDON: Mr. Chairman, I have a few questions. As the minister knows, there has been considerable discussion in the British parliament with respect to the allocation of commanders to the various services under the North Atlantic Council's supervision. Is it expected that Canada will have any place in connection with that distribution of chiefs?

Hon. Mr. PEARSON: Oh, we will have officers in the general staff. We have one or two now. We have at least two officers in SHAPE now.

Our contribution to the general staff of the integrated force will bear a reasonable relationship, I hope, to our contribution to the force itself.

It will not be expected that a country which under the present plan is producing a brigade group for the integrated force would have the same representation on the general staff as would a country which is producing let us say, ten, eleven, or fifteen divisions.

Mr. GRAYDON: Is the distribution or allocation of these commanders just on the basis of the contribution that is made?

Hon. Mr. PEARSON: No. That is a very important criterion, but it is not the only one. We have, of course, nothing to complain about ourselves. I know there have been countries which have been disturbed about the allocation of commanders; but that will be worked out, and it is being worked out now.

Mr. GRAYDON: One more question: What will Canada's position be in respect to the proposal to include Turkey and Greece in the North Atlantic Council?

Hon. Mr. PEARSON: Were you present when I talked about that subject? I made quite a statement about it.

Mr. GRAYDON: I am afraid that I was not here at the time. I am sorry. But if it is on the record, then very well.

Hon. Mr. PEARSON: Yes, it is on the record.

Mr. PICARD: My question is more related to the Hon. Mr. Pearson's answer given to Mr. Robinson. The minister stated that by a given time which he did not care to mention at the moment, he thought all the different countries in Europe would have forces sufficient enough to discourage any similar aggressor.

The other day in the House of Commons the Minister of National Defence stated that if given time, we would have a certain number of troops. Has he got the impression that possibly an aggressor would give us all that time, and that an aggressor would be nice enough to wait until we were adequately armed?

Hon. Mr. PEARSON: I do not think we can count on a possible aggressor giving us any time at all. Moreover, if we knew he was going to commit an aggression next week, we would not be able to reach the safety mark in that time.

Mr. PICARD: The Intelligence Service must give us certain information which might lead us to believe whether or not we have time.

Hon. Mr. PEARSON: Intelligence suggests that we should do all we can.

Mr. CROLL: We are not talking about General MacArthur's intelligence service now, are we?

The CHAIRMAN: No. I will see that that is kept out at least.

Hon. Mr. PEARSON: Intelligence suggests what we should do. Political intelligence, military intelligence, and all kinds of intelligence suggest that we of the North Atlantic Pact and of the free world should do all we can and as quickly as we can. That has to be reconciled with the necessity of maintaining a strong economic and social structure while we are doing it. We do not know, unfortunately, whether we are in a sprint or a marathon. If it is a marathon and we start off at a one hundred yards pace, we may get into trouble. But if it is a sprint and we start off at a marathon's pace, we will certainly get into trouble. It is a matter of judging one's pace in the light of such information as may be available so that both efforts will be in balance. Every democratic government has that problem to face at the present time, and on the way it is faced will depend to a good extent our success in meeting developments ahead.

Mr. PICARD: May I ask one further question. Are you satisfied from the information you have that the countries in Europe, in regard to the arms plan, are doing their best, or are any of them lagging behind?

Hon. Mr. PEARSON: I am quite satisfied that all the European countries are aware of the situation. They are on the very front line, if there is trouble—and they are doing all they think they can do to meet that situation. It is easy for a country in a different position to look at what the other fellow is doing or not doing, and to compare one contribution with another.

That kind of comparative exercise sometimes gets us into trouble. In an association of this kind, of countries which are working together for their own security and survival, we have to trust each other that we are aware of the danger and that we will do everything we can to meet it acting together.

Mr. COLDWELL: May I ask what thought has been given to how this European army will be a European army and not a number of armies responsible to their respective governments? What civilian control is being formulated to obviate the kind of thing which arose in connection with General MacArthur?

Hon. Mr. PEARSON: I cannot answer that question very specifically at the moment.

Mr. COLDWELL: I am not anticipating that kind of thing with General Eisenhower.

Hon. Mr. PEARSON: The French government has been very much alive to that problem. In the discussions which are now taking place in Paris, and which have been going on for some months, the problem of international civilian control of the international force has been considered and is being considered. Therefore, until that conference finishes its work, I do not think I should say anything more than that it is a problem which is recognized as such by all the countries participating.

Mr. COLDWELL: You have armies with most diverse systems of pay and allowances and all that sort of thing. I wonder how various pay scales are going to be maintained, I mean the pay scales of various countries? They may have to mess together, and the officers may have to share the expenses.

Mr. CROLL: Did we not have some of that during the war?

Mr. COLDWELL: Yes, but not to the extent we have it now; not as close.

Mr. CROLL: Not as close; but we faced it at that time.

Mr. COLDWELL: Yes, to an extent. But I do not expect the minister to answer the question.

Hon. Mr. PEARSON: We had also the problem in the first war of the shilling versus the \$1.10 of the Canadians. I would think that the component parts of any European army would be large enough to form their own association, and that their contacts would not be as intimate as if there were two battalions in the same brigade, one getting \$5.60 and the other 30 cents.

Mr. STICK: May I move that we adjourn, Mr. Chairman? It is twenty minutes to six.

Mr. GOODE: Just one question, Mr. Chairman, and the reason I ask it is the hope that there will be no misunderstanding in regard to the number of troops which Canada is thinking of sending to Western Europe. Having regard to the officers on the general staff, I think your statement was very clear, that it will be up to the man personally, and not related just to the number of troops that we send to western Europe, with respect to that man's promotion.

Hon. Mr. PEARSON: I was not thinking of the promotion of our officers within our own forces at all.

Mr. GOODE: The question was asked: Would the number of troops we send to western Europe preclude any of our men coming to senior positions?

Hon. Mr. PEARSON: No, it would not in any way preclude a Canadian from becoming commander in chief of the whole force.

Mr. GOODE: That is right.

Mr. FRASER: The other day on the radio it was mentioned that the Hong Kong officials had stated that they had to trade with communist China because that was their life blood.

Do we ship goods to Hong Kong? Do we send goods there? And to what other countries do we ship or export goods which would involve a deal with China or with Hong Kong?

Hon. Mr. PEARSON: I would be very glad to make a short statement on that subject.

Mr. FRASER: Yes, I would like to hear it.

Hon. Mr. PEARSON: It is an important matter. There has been some misunderstanding about it and it might well be put on the record.

Mr. FRASER: Yes, I would like to have a statement about it, because when it was mentioned on the radio it seemed to off-set all the other embargoes they had.

Hon. Mr. PEARSON: On December 6, 1950, the United States government announced a complete ban on all exports to China and to Hong Kong presumably to prevent transshipment from Hong Kong to China.

While the Canadian government has not made such an announcement or applied so complete an embargo, it has effectively prohibited the shipment of strategic materials to China. The resolution which we voted for at the United Nations the other day was merely a confirmation in the form of a United Nations resolution of a policy which, in so far as Canada was concerned, had been in effect for some time.

The Canadian government would be willing to allow goods that were neither strategic nor in short supply here to go to Hong Kong. From Hong Kong they could go to China in present circumstances.

In other words, we have not put on a complete embargo on all goods of any kind to China, but we have put an embargo on all goods that will assist China in any way in the prosecution of aggression in Korea.

Then I should go on to say that the restrictions imposed by the Central People's Government on trade are such that in practice little if any is now being exported to China either directly or through Hong Kong. That is our position.

Mr. FRASER: Do we ship tractors and farm machinery to Hong Kong? In an order in council which was issued it did not mention Hong Kong, and it did not mention Russia. In that order in council is mentioned communistic China and the countries behind the iron curtain.

Hon. Mr. PEARSON: I think I am right in saying that any materials that are prohibited for direct shipment to China would be prohibited from shipment to Hong Kong.

Mr. FRASER: Then, when you ship to Hong Kong you do not put any restrictions on those shipments?

Hon. Mr. PEARSON: No; we put no restrictions on anything that is permissible for Hong Kong. What may happen to them after they get to Hong Kong would be a matter for the authorities at Hong Kong to deal with, if they wished to stop them going to any place else.

Mr. FRASER: Last week, in answer to a question of mine the Right Hon. Mr. Howe said that your department had to O.K. the shipment of arms to any foreign country.

Hon. Mr. PEARSON: That is right.

Mr. FRASER: Now, who in your department does that?

Hon. Mr. PEARSON: I do that personally in regard to all shipments above a certain minimum amount, and the amount is very small, and also in regard to all shipments however small in regard to a certain list of countries. I deal with that personally. Every application for a shipment of that kind within the category

I have mentioned comes to my desk, and in certain cases, indeed in a great many cases, I take it up to cabinet to have my own judgment confirmed or otherwise.

Mr. FRASER: You said a certain list—certain countries?

Hon. Mr. PEARSON: Certain countries. For instance, if we were shipping something to the United States or the United Kingdom or to friendly countries, I would not see all of those.

Mr. MACNAUGHTON: Is not the port of Hong Kong a free port?

Hon. Mr. PEARSON: Yes.

Mr. MACNAUGHTON: Well that might mean your shipments might call there and then proceed to Australia or some place else.

Hon. Mr. PEARSON: Yes, it may be, but in the case of strategic materials we would not allow the ship to go to Hong Kong at all.

Mr. STICK: I move we adjourn.

The CHAIRMAN: Before we adjourn I wish to thank the minister for the information received from him this afternoon. We have with us also this afternoon several officials of the Department of External Affairs. We have Mr. A. D. P. Heeney, Under-Secretary of State for External Affairs; Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs; and Mr. S. D. Hemsley, Head of Finance Division. Would it be in order at our next meeting on Friday at 11 o'clock to have these officials present or would you prefer to have the minister come back?

Mr. FRASER: I think we ought to have the minister again.

Mr. Low: I believe the minister should come to our next meeting.

Hon. Mr. PEARSON: I would be very glad to be here on Friday.

Mr. FRASER: Mr. Chairman, this is to be taken as absolutely no reflection on the officials!

The CHAIRMAN: We had a well attended meeting of the steering committee yesterday and we decided to have a general meeting on Friday at 11 o'clock. Thank you, gentlemen.

Canada - External Affairs, Standing
Committee, 1951
SESSION 1951

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

CHAIRMAN—MR. J. A. BRADETTE

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

FRIDAY, MAY 25, 1951

Honourable LESTER B. PEARSON

OTTAWA
EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
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1951

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on

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Croll	Higgins	Pinard
Decore	Jutras	Queleh
Dickey	Leger	Richard (<i>Ottawa East</i>)
Diefenbaker	Lesage	Robinson
Fleming	Low	Stick

Clerk: ANTONIO PLOUFFE.

MINUTES OF PROCEEDINGS

FRIDAY, May 25, 1951.

The Standing Committee on External Affairs met at eleven o'clock. Mr. J. A. Bradette, Chairman, presided.

Present: Messrs. Bater, Benidickson, Bradette, Coldwell, Cote (*Matapedia-Matane*), Decore, Dickey, Fleming, Fraser, Gauthier (*Lac St. Jean*), Goode, Graydon, Green, Higgins, Jutras, Leger, Lesage, Low, MacInnis, MacKenzie, Murray (*Cariboo*), Quelch, Stick—23.

Senator Isnor was also present.

In attendance: Same as on Tuesday, May 22.

Item 84—Departmental administration.

Mr. Pearson's examination was continued on matters raised at the last meeting. He was also questioned on:

1. Representations abroad.
2. Military reports emanating from Korea.
3. Offers of assistance to South Korea.
4. Organization of the North Atlantic Council.
5. United Nations Information Division.
6. Recognition of the Peiping Government.
7. United Nations resolution concerning the 38th parallel and the cease fire proposals to Korea.
8. Nora Rodd's broadcasts from North Korea.
9. The St. Lawrence seaway project.
10. Russia's membership in the United Nations.
11. Landing facilities at Goose Bay and relevant proposed agreements.
12. United Nations' Rehabilitation Commission.

Mr. Pearson undertook to make supplementary statements on the references to the International Joint Commission, on C.B.C. International Service and on the International Refugee Organization.

At 12.45, the Committee adjourned until Monday, May 28, at 8 o'clock in the evening.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

MAY 25, 1951.

The CHAIRMAN: Gentlemen, we have a quorum. I believe we are showing a lot of diligence by our large attendance at this Friday meeting, so it augurs well for the future of our sittings on that day. I will again call item No. 84 on page 13 of the estimates, departmental administration. The Hon. Mr. Pearson is here now, and I believe at the last meeting we had reached the stage of questioning. Does the minister wish to make any additional statements?

Hon. Mr. PEARSON: No, Mr. Chairman, I do not think so, but I will try to answer any questions that may be addressed to me.

Mr. FRASER: Well, Mr. Chairman, the minister said a number of countries wanted to be represented in Canada but that we could not reciprocate owing to the fact we thought that we could not or did not wish to extend our representatives in those countries or send ambassadors to those countries. Have we not got Canadian consuls or trade commissions in the countries that want to be represented in Canada?

Hon. Mr. PEARSON: In some of these countries we have trade commissioners and some of these trade commissioners have the title and status of consul. In certain countries of the type we are talking about, however, we have no representatives of any kind. Consuls or trade commissioners, in any event, are not considered as diplomatic representatives; I have in mind a particular country, but for obvious reasons I cannot mention its name—

Mr. FRASER: No, I do not expect you to mention the name of the country.

Hon. Mr. PEARSON: —when we wished to discuss some trade questions with a view to working out an intergovernmental commercial treaty, the government of this particular country said that they could not use our trade commissioner or our consul for that purpose. Questions involving intergovernmental negotiations of that kind have to be dealt with at a diplomatic level either through an ambassador or a minister whom we would appoint to that country, or by a special representative from Canada.

Mr. FRASER: Would it not be possible to have an ambassador from one country act also as ambassador to some other country?

Hon. Mr. PEARSON: That is true, and we have done that in some cases.

Mr. FRASER: Can it not be done in this case that you mention?

Hon. Mr. PEARSON: In this particular case it was not possible because, though some countries are quite agreeable to receiving an ambassador who is accredited also to another country, other countries do not accept that particular device with any favour. We ourselves, for instance, would have some reluctance to have a foreign diplomat accredited to the United States also accredited to Canada. If relations between the countries are important enough, I know we would prefer to have a man accredited to Canada exclusively, not accredited to the United States and then take on Canada as an additional task.

Mr. FRASER: And the trade with these countries that you mention, and especially to the one country—the trade with that country is not such that it would justify an ambassador's presence?

Hon. Mr. PEARSON: I think in this case it would justify a small diplomatic mission and we will undoubtedly find, I think, that our interests require that kind of representation, but we have taken the position that in the present emergency financial considerations make it desirable to postpone that kind of expansion for the time being.

Mr. FRASER: Thank you.

Mr. GOODE: Mr. Chairman, I would like this information for my own benefit, and I expect, some of the other members of the committee would like to know too. I notice in the last few days that General Van Fleet, the officer commanding the United Nations forces in Korea, has made reports to newspaper correspondents regarding the 38th parallel, and the Hon. Mr. Pearson has been very explicit in his statements in the House regarding the policy connected with that part of the country. This is what I would like to know: Does the officer commanding the United Nations forces in Korea give reports to the member states comprising that organization—does he report to the United States direct or does he report to the United Nations direct, and how is the sequence of information brought down from the United Nations, for instance, to your office?

Hon. Mr. PEARSON: Mr. Chairman, I think I can answer that question. The United Nations commander-in-chief, who is now General Ridgway, and the commander in the field under General Ridgway who is General Van Fleet, report to the unified command which has been established by the United Nations as the result of a resolution of the Security Council. That unified command is, in effect, the United States chiefs of staff. These reports to the United States chiefs of staff, that is to the unified command, are referred to the United Nations and to the members of the United Nations, and we have an opportunity of seeing them and, if we so desire, of commenting on them. That is one way in which information from the unified command reaches the governments concerned. In addition to that there are periodic meetings in Washington of the representatives of all those governments that have forces in Korea, seventeen of them. I think, now. They meet with representatives of the Pentagon—that is the Defence Department—and the State Department, and they are briefed every two or three days on developments in Korea; we have an opportunity at that meeting of making known our observations on any aspect of developments.

Mr. GOODE: Then, I can take it that Canada is a part of the policy-making organization for Korea; that we have some interest in how the final commands go out to the general commanding in Korea. That is true, I think, Mr. Minister?

Hon. Mr. PEARSON: Well, we have influence on general policy as a member of the United Nations with forces in Korea. We do not, of course, interfere in the conduct of the military operations.

Mr. QUELCH: Is it correct that the commander-in-chief of the United Nations forces at the present time has the authority to take his troops anywhere in Korea?

Hon. Mr. PEARSON: Yes, he has, under a resolution of the United Nations General Assembly passed last autumn when the forces were first approaching the 38th parallel. The commander there has authority to take any action which he considers necessary for the unification and liberation of Korea. I forget the exact expression. The white paper on Korea will give you the exact words.

Mr. GREEN: How many members of the United Nations voted to stop aggression in Korea?

Mr. QUELCH: Fifty-three, I think, was it not?

Hon. Mr. PEARSON: Yes, I think it was fifty-three—all, I think, with the exception of the Soviet bloc and two others.

Mr. GREEN: Why is it that only seventeen of fifty-three have supplied troops? They all received the same call for help, did they not?

Mr. QUELCH: Fifty-three did not vote to cross the 38th parallel.

Hon. Mr. PEARSON: No, I think about forty voted to cross the 38th parallel. I cannot give you the reasons why some countries have or have not taken action on that resolution. A lot of countries that have not sent forces to Korea have assisted in other ways. There are other countries who may feel that they themselves are so exposed to possible aggression and their own forces so inadequate to meet aggression that they would not wish to weaken them even further by sending troops across the Pacific to Korea.

Mr. GREEN: Well, it is fewer than one in three who have supplied any forces. Is that not the position?

Hon. Mr. PEARSON: Yes, seventeen out of the fifty-three, have actually sent forces to Korea. A great many have helped in other ways.

Mr. GREEN: You would think they could have at least supplied token forces.

Mr. QUELCH: Did not some of the other countries actually offer help which has not yet been taken up? The press carried despatches to the effect that certain countries were going to send troops—Siam is one, I think.

Hon. Mr. PEARSON: I think a few countries which have offered forces have not had their offer accepted by the unified command. We must remember that among these fifty-three countries, many are very small indeed and to have thirty or forty countries sending dribblets of contingents would be quite a military problem for the commander in the field; he may consider, unless a contribution can be made in the form of a battalion or better, it would present a difficult military problem from the operational point of view.

Mr. STICK: And then there is the other question of cost of maintaining these troops, equipment, supplies and all that sort of thing.

Hon. Mr. PEARSON: There is the problem of logistics and supply, and of absorption into the supply organizations of small contingents from countries all over the world, which in itself is a difficult military problem. That is why some governments, including our own, thought we should prepare for this kind of United Nations' operations by earmarking forces for the United Nations in advance of their use in order that the problems of supply, organization and equipment can be settled before an emergency develops. Also, there has been a proposal that would go even further than that, the establishment of a small United Nations force as such, an international force.

Mr. STICK: We have never done that before and this is really an experiment?

Hon. Mr. PEARSON: That is right.

Mr. GREEN: Has any progress been made in setting up a United Nations force of that kind?

Hon. Mr. PEARSON: I do not know what actual progress, if any, has been made. I know this question of earmarking United Nations national contingents for United Nations forces had been considered and is being considered now by a committee of the United Nations in accordance with the resolution passed at the last General Assembly and that committee—the collective measures committee—will be reporting to the United Nations General Assembly.

Mr. GREEN: How many nations have supplied troops for the United Nations?

Hon. Mr. PEARSON: I cannot answer that question offhand but I will try to get some information on that.

Mr. GRAYDON: Mr. Chairman, in relation to the question of an international police force, I take it what the minister has in mind and what some of the members interrogating you have in mind, is that it will be one large force, in which members of the United Nations would be units. Well, when the charter

was first instituted was not the idea of an international police force discussed on the basis that there would be perhaps fifty or so nations agreeing among themselves to stop aggression of one other nation of a smaller character which would be amenable to police force supervision? Is it not difficult now, with the world pretty nearly split in two, to have an international police force, if you are going to have an international police force that has, mingled in its composition, reds and communists from all over the world—what kind of a police force are you going to have that is going to be of any good to keep the peace, because it seems to me that when you have the world split in twain, you have a problem that is vastly different from the problem that was envisaged when the security council was first set up and its enforcement provisions made.

Hon. Mr. PEARSON: That is quite true. As you know, at San Francisco we based a lot of our policy and our assumptions on the unanimity of the great powers; if the unanimity of the great powers could not be preserved it could be assumed that the United Nations could not effectively operate as a policing agency. That situation, as you stated, Mr. Graydon, was changed. Indeed it can be argued that if the U.S.S.R. had not been accidentally absent from the Security Council last June, effective action of the kind that was taken could not have been taken. So far as an international force at the present time is concerned—mixing reds and communists as you put it with the others—that is not likely to happen because the Soviet bloc opposed the relative resolutions in the United Nations General Assembly last year.

Mr. GRAYDON: Well, even if they went into an international force they could kill it with a physical veto just in the same way as they are doing it with their veto in the security council because I cannot imagine anything worse than trying to send an international police force abroad with the reds fighting alongside our people when they want to make some other nation keep the peace. It seems to me to be so wholly impracticable. I suppose the only way it can be done is to have the nations who are still on this side of the iron curtain have forces available for use when the general assembly by a majority enters into an arrangement such as was entered into last fall, directs them into action.

Hon. Mr. PEARSON: That is right. We are trying to operate the United Nations in a now divided world of conflict. We had hoped to be able to operate the United Nations in a world of co-operating great powers.

Mr. DICKEY: Isn't that one of the basic ideas of the North Atlantic Organization? That they were to set up something of that kind under the charter, but that it would be free of that type of objection to which Mr. Graydon has called attention?

Hon. Mr. PEARSON: That is true, and, if the United Nations had been able to operate as we had hoped, there would never have been any necessity for us to have the North Atlantic Pact; at least not as a security measure.

Mr. DICKEY: We had some discussion at the last meeting with respect to developments in the North Atlantic Treaty Organization, and that revolved particularly around the proposed membership of Greece and Turkey. As I understand it, Canada's particular interest has been in the development of the organizational side of the organization and the development within the NATO of effective action machinery to bring about co-operation and look after the security provision. Have there been any developments on that side of the organization that the minister could explain to us?

Hon. Mr. PEARSON: There have been, as a matter of fact, and they have been announced within the last week or two. The North Atlantic organization was becoming rather complicated and cumbersome, there were a good many committees and subcommittees of one kind or another set up, and it looked to us and to other members of the council as though this complexity of the organization that was developing might interfere with its efficiency. As someone put it—

I think it was Dr. Evatt—there might be too much harness and not enough horse. So at the last meeting of council we proposed that the council and its agencies be re-organized and that re-organization has now been put into effect. In a word, what it means is this: That instead of having a council of foreign ministers, a council of defence ministers and a council of finance ministers, we now have one council of representatives of governments. That, I think, means more than a technical change because it emphasizes that the North Atlantic Council is a council of representatives of governments. It will be up to each government to decide at each council meeting whether it will be represented by its Prime Minister, its finance minister, its defence minister or foreign minister or all four if it were thought necessary. Then under the council of governments is a continuing committee of deputies which is turning out to be a more and more important part of the organization. It meets almost every day and the day-to-day work of the organization is handled by this council of deputies. It is operating effectively under the very able chairmanship of the United States member, Mr. Spofford. We are represented on the Council of Deputies by our High Commissioner in London.

Mr. COLDWELL: By the way, Mr. Pearson, who is our high commissioner?

Hon. Mr. PEARSON: Our high commissioner?

Mr. COLDWELL: Yes.

Hon. Mr. PEARSON: Mr. Wilgress. Then under the Council of Deputies—I am talking now about the political organization—we have two boards taking the place of the former boards and committees and subcommittees. First there is the financial and economic board which has just been set up and which is studying the economic impact of the defence programs on the various countries and economic and financial questions arising out of defence programs, and the impact of those programs on the country concerned. They are making a general survey of economic and financial developments.

We also have a defence production board which studies, as its name implies, production problems; for instance, a survey has been made to see how productive capacity can be used more effectively in the various member countries. If there is idle productive capacity in one country and not enough productive capacity in another they find out how things can be worked so that orders from one country can be diverted to make use of the productive capacity in another country. That is the function of the production board. Our representative on that board is Mr. H. R. MacMillan. Our representation on the financial and economic board has not yet been determined. That board has just been set up; we have not yet appointed a representative but our interim representative is Mr. Couillard of the Department of External Affairs. The military side of the organization has been more or less stabilized from the beginning with a committee consisting of the chiefs of staff of all member countries. Under that committee is the standing group, the military representatives of the United Kingdom, the United States and France. They, in a sense, are the combined chiefs of staff of the North Atlantic organization and with them, that is the group of three only, the other countries have liaison arrangements; we have found that this system has worked out satisfactorily.

Mr. GOODE: And the H. R. MacMillan who represents us there is the H. R. MacMillan from British Columbia?

Hon. Mr. PEARSON: Yes, from British Columbia.

Mr. GOODE: I thought we ought to be able to get British Columbia in on it somewhere.

Mr. FLEMING: Mr. Chairman, could Mr. Pearson tell us anything about one or two aspects of the question under discussion. The minister has indicated the procedure by which information on the situation there is disseminated and

he has indicated that the information which is given out reaches representatives of participating member countries. I take it that the government of Canada is also receiving reports in the ordinary way from its own commander in Korea?

Hon. Mr. PEARSON: Oh yes, the commander of Canadian forces in Korea has the right of direct correspondence with his government.

Mr. FLEMING: I take it that you get reports from that source?

Hon. Mr. PEARSON: The Minister of National Defence would be in a better position to report on that than I am, but I presume he is receiving reports directly. As Mr. Heeney points out, we also have a military representative in Tokyo who reports directly to the Department of National Defence and who is accredited to the supreme commander of the allied forces in the Pacific, General Ridgway.

Mr. STICK: We have a direct liaison officer there?

Hon. Mr. PEARSON: Yes.

Mr. FLEMING: Do all the reports from General Ridgway, relating to operations in Korea, go directly to this committee of seventeen representatives in Washington or are the reports which he is making going exclusively to the United States government in his capacity of United States commander?

Hon. Mr. PEARSON: I think a great many of General Ridgway's reports go straight to the United States government in his capacity as commander of the United States forces in Korea, and I might say that a lot of them would normally be expected to go that way; some are passed on to the United Nations committee.

Mr. FLEMING: It is for General Ridgway to decide what reports go to the United States and what reports go to the committee of seventeen representatives in Washington.

Hon. Mr. PEARSON: I speak subject to correction but I think that discretion as to which reports General Ridgway should make directly to the United States and which reports should be passed on to the committee of seventeen which meets in Washington would be exercised by the unified command. His reports however reach this committee, and it has been a very valuable working arrangement. Also the Assistant Secretary of State in charge of far eastern affairs Mr. Dean Rusk attends the meetings of this committee and he reports on the political aspects of operations in Korea.

Mr. FLEMING: The United States high command being an American staff, I suppose that it is an American decision that decides what reports go to representatives of the seventeen nations and what reports go to the United States, and hitherto we had no reason to feel that the reports going to the representatives of the seventeen nations had not been as complete as desired.

Hon. Mr. PEARSON: We have had no complaints about any of these reports; there are also reports from the United Nations commander in the field which go directly from the United Nations command to the United Nations itself. They are formal reports to the United Nations. That is something apart from the reports made to the committee of seventeen. The first report on operations in Korea signed by General Ridgway reached the United Nations the other day.

Mr. FLEMING: And precisely to what extent are the representatives of the United Nations influencing the issuance or the actual issuing of commands to General Ridgway?

Hon. Mr. PEARSON: The unified command has the sole responsibility I think for the issue of instructions to General Ridgway within the limits of the United Nations resolution setting up the unified command. For instance, the unified command could not tell General Ridgway, to take a hypothetical case, that he could go into North Korea and also cross the Yalu River however

necessary it might appear to him to do so, because that would be outside the terms of the resolution which binds all members of the United Nations which have accepted them including the United States.

Mr. QUELCH: They could do that now, could they not, since China has been declared an aggressor?

Hon. Mr. PEARSON: No. There is no authority that I know of which would authorize the unified command to order the United Nations forces to operate on land outside of Korea in any circumstances.

Mr. MURRAY: Mr. Chairman, may I ask a question on a lower level of United Nations operations. Do you think that the United Nations is well publicized in regard to the 101 various things carried on by them so that people throughout the world can have a better idea of the great work which is being done by the United Nations?

Hon. Mr. PEARSON: I can give you a great deal of information on that subject because the United Nations information division, which is a very important part of the secretariat, is a very active division indeed and has done a great deal to publicize the activities of the United Nations.

Mr. MURRAY: For instance, have they a printing plant at the United Nations?

Hon. Mr. PEARSON: No, I don't believe they have a printing plant but a great deal of printed material goes out from the United Nations and is distributed all over the world.

Mr. MURRAY: Yes, but I do not see how you can reach all the large organizations interested in a matter of that kind on a small scale basis without publicity and a printing plant. There are a lot of people and organizations who are vitally interested in what the United Nations are doing, and it seems to me that the whole future of the organization depends on their having facilities there for getting out material promptly and adequately to the public.

Mr. COLDWELL: The language difficulty is great there.

Hon. Mr. PEARSON: Yes, there is a difficulty in languages. But it is true the United Nations does have facilities for getting out printed material, and it gets it out to the public promptly even though it does not have a printing plant of its own. It does get it out.

Mr. MURRAY: How can they get it out if they haven't got printing facilities?

Hon. Mr. PEARSON: Well, for one thing, they send out telegraphic information each day to every member government as to what is going on at the United Nations.

Mr. MURRAY: Do you not think they should employ the most skillful editorial talent they can engage?

Mr. GRAYDON: May I suggest, Mr. Chairman, they should not overlook Alaska Highway news when they are doing it?

Mr. MURRAY: Each little bit is a little bit more. They do the best they can. I am asking the minister if they could not make it more attractive, if the message of the United Nations could be presented in a more dramatic and appealing manner.

Hon. Mr. PEARSON: I really am not in a position to comment on that. I would like to produce for the committee, however, a report on what they are doing and how they are doing it. I know that some of their radio programs and television programs are pretty dramatic and have a very wide audience in the United States, in this country and in European countries, and that they represent a great deal of work.

Mr. MURRAY: But there isn't any substitute for the printed word.

Mr. FRASER: The evening broadcast from the United Nations is excellent. It covers the whole day's activities of the United Nations. I listen to it every night and I think it is wonderful.

Mr. COLDWELL: They have been able to reproduce the discussion of the United Nations during the crisis. I think it is very valuable.

Mr. MURRAY: With respect to the question of health and narcotics and the various ramifications of labour, too.

Hon. Mr. PEARSON: I shall be able to get some information on the publicity activity of the United Nations in so far as the printed word is concerned.

Mr. MURRAY: I think it is fundamental to the whole concept.

Hon. Mr. PEARSON: Their information budget was cut very considerably this year, and I think we supported the cut. There had been a general feeling that there was a certain amount of extravagance in their propaganda, and that a lot of money was being spent which we, as well as other delegations, felt was hardly justified.

Mr. MURRAY: Do you not think that to spend some money on printing presses and so on would be just as good as to spend it on machine guns?

Hon. Mr. PEARSON: I do indeed, and I can assure you that they are spending a good deal of money on the printed word.

Mr. LESAGE: We can have printing done in Canada within four days—I mean contracts which are given for Canadian printing.

Mr. MURRAY: I am thinking of the attacks which are waged against the United Nations by people who should be our own friends, such as the *Chicago Tribune*. Certainly in Europe there is a continuous hammering of attacks in an attempt to belittle the work of the United Nations, and in an effort to destroy its effectiveness. There is only one way to meet those attacks and that is by means of counter attacks.

Hon. Mr. PEARSON: I doubt if counter attacks would have very much effect on the *Chicago Tribune*.

Mr. MURRAY: I think the *Chicago Tribune* is a paper which should be more considerate of Canada as well as of the United Nations.

Mr. COTE: With respect to the description given by our minister so ably of the Atlantic Pact, would the minister without embarrassment, care to comment on General Bradley's testimony before the committee in Washington yesterday with regard to the aggression from Russia?

Hon. Mr. PEARSON: No. I do not feel that I could comment very usefully on it. In fact, I have not read yesterday's testimony.

Mr. COTE: No. It was just a news item report which I read myself.

Hon. Mr. PEARSON: I would like to have a look at it before I say anything about it. I can say, however, that I think General Bradley's testimony before the committee, has been very impressive. I shall let it go at that.

Mr. MacKENZIE: Mr. Minister, in view of the fact that there has always been a very wide divergence apparently between the United States and the United Kingdom with regard to recognition of the Peiping government either past, present or future, and also in view of the statement mentioned a few days ago, what is Canada's position with regard to recognition now?

Hon. Mr. PEARSON: Our position in regard to recognition of the Peiping regime in China is that no consideration can be given to such recognition so long as China is conducting, or so long as the Chinese government is conducting an aggressive war against the United Nations. In other words, we cannot admit that the Chinese government in Peiping can shoot its way into the United Nations.

Now, that does not deal at all with the question whether we should or should not have recognized the Chinese communist government before they began the shooting. The fact is that they are conducting warfare against the United Nations now and while they are in that position, as far as we are concerned, the question of recognition does not arise.

But if the conflict in Korea is brought to an end and an honourable negotiated settlement can be reached, then the question of recognition of the Chinese government does arise. Mr. Dean Rusk, in his speech last Saturday night, on this question caused confusion and created some anxiety in other countries. It was felt that his speech indicated a change in United States policy, and that there could be no question at all of recognition of the communist government of Peiping, regardless of its aggression in Korea. But the State Department through the Secretary of State has indicated that Mr. Rusk's speech should not be so interpreted, and that it did not represent a change either of policy or of emphasis. And so far as I am concerned, I was very glad to get that explanation and that assurance.

Mr. FLEMING: What is the position of the Canadian government in regard to the suggestions we hear that those nations which have already recognized the Peiping government should be invited by the United Nations to withdraw their recognition until the Peiping government ends its aggression?

Hon. Mr. PEARSON: That would be invoking the application of diplomatic sanctions against the Peiping government. But it has not yet come before the United Nations for discussion or decision. As you know, there has been set up an Additional Measures Committee which has looked into the question of what additional measures can be taken to bring pressure to bear on the Chinese to stop their aggression in Korea. That Additional Measures Committee reported last week, I think it was, and recommended the application of certain economic sanctions and the cutting-off of all trade in strategic materials. It did not recommend anything else. It could have gone further than that if it so desired, but it did not. Additional measures which might have been considered would be blockade, total sanctions, and the withdrawal of recognition; but they have not yet been put forward.

Mr. GRAYDON: I would like to ask the minister if, under the directive given to the unified command, as the minister has pointed out very properly, to unify north and south Korea into one country, the establishment of a settlement as has been suggested within the last few days by means of some cease fire at the 38th parallel would not mean that there would have to be a change in the directive from the United Nations to the unified command?

Hon. Mr. PEARSON: No, I do not think so. I am trying to get the exact words of the resolution which authorized the crossing of the 38th parallel. It remains, as I see it, the objective of the United Nations to work towards the unification and liberation of Korea.

As was pointed out by General Bradley and by General Marshall, and as it had been previously pointed out by other people, it is not the obligation of the United Nations under the resolution which was passed at the January assembly to bring about that unification by force.

Therefore, as I see it, a settlement of the military conflict on the basis roughly of the status quo of last June would not conflict with the United Nations' resolution, providing it did not interfere with subsequent steps taken to bring about the unification of the whole of Korea. We are under an obligation to do what we can in that respect. But we are not, as I understand it, under any obligation to continue military operations in Korea until it is brought about.

Mr. COLDWELL: Was there not an obligation even before last June to attempt to unify Korea?

Hon. Mr. PEARSON: Yes, that is right. There has been a United Nations resolution laying down the objective of a united Korea.

Mr. HIGGINS: Is the principle to be one of *de jure*, or *de facto* government, or is it to be a combination of both?

Hon. Mr. PEARSON: The principle of recognition of China?

Mr. HIGGINS: Of any of those countries?

Hon. Mr. PEARSON: There is a distinction in international law between *de facto* and *de jure* recognition, but the distinction is sometimes a little more theoretical than real.

Mr. HIGGINS: For admission to the United Nations, let us say?

Hon. Mr. PEARSON: Admission to the United Nations, as we understand it, would constitute *de jure* recognition.

Mr. JUTRAS: On the same subject, Mr. Chairman, I would like to ask the minister if the Peiping government has actually recognized the British government.

Mr. DECORE: *De facto* or *de jure*.

Hon. Mr. PEARSON: The Peiping government has received British diplomatic representatives in Peiping. That in itself constitutes a recognition of the government of the United Kingdom, if that had been required. But the Peiping government has not reciprocated by sending any diplomatic representatives to London.

Mr. FRASER: They have allowed the British to "peek in", but they have not "peeked in" themselves.

Mr. JUTRAS: That is as it was precisely a year ago.

Mr. DICKEY: When did they admit the British diplomatic representatives to Peiping?

Hon. Mr. PEARSON: Almost immediately after recognition by the British government of the Peiping government. It was some time last year.

May I now clear up the point about the United Nations resolution which has been loosely called a resolution to authorize the crossing of the 38th parallel. The actual wording of that resolution is as follows—it was passed on October 7th by the General Assembly, and it recommends, among other things:

(a) That all appropriate steps be taken to ensure conditions of stability throughout Korea,

(b) That all constituent acts be taken, including the holding of elections, under the auspices of the United Nations, for the establishment of a unified, independent and democratic Government in the sovereign State of Korea.

Mr. COTE: Has there been any modification since then?

Hon. Mr. PEARSON: No, I do not think so. Under that resolution the United Nations forces were authorized to cross the line if they so desired.

Mr. COTE: I think they ought to do so, in view of the fact that the Chinese have crossed it coming south.

Mr. GOODE: With respect to this Korean matter, might I ask the minister if there has been any further development with respect to the supposed peace move by Russia? This is in connection with what Mr. Murray suggested, that there should be counter proposals to a thing like that. I know you have done the best you can in the House to counteract it.

Hon. Mr. PEARSON: No, I have not heard anything which would confirm a peace move. But I can say that the newspaper *Pravda* printed an editorial in Moscow expressing the hope that the conflict in Korea could be ended by the first anniversary of that conflict on the basis roughly of a return to the status quo.

Mr. DECORE: Is that a recent editorial?

Hon. Mr. PEARSON: Oh, yes. That same attitude has been taken by communist newspapers in other countries, notably the *Daily Worker* in London. This editorial in London and Moscow and in other places—the editorials were substantially the same—referred to a resolution introduced into the Senate of the United States by, I think, Senator Edwin Johnson of Colorado proposing the ending of the conflict on substantially that basis. It is not usual for communist newspapers to print suggestions of that kind without official inspiration.

Mr. FRASER: It is said in the American papers yesterday, Mr. Chairman, that newspapers in the States which are communistically inclined were advocating that the war in Korea would be over on the 25th of June and that all troops would be out of Korea by the end of December.

Hon. Mr. PEARSON: Yes, I have seen those reports. You may have seen references from official quarters in Washington to the fact that the cease fire arrangement drawn up last December by the cease fire group did propose a withdrawal of troops behind a line which would be, roughly, the line of the 38th parallel, with a 20-mile neutral zone in between; and that this withdrawal should then be followed by steps which would lead to the complete withdrawal of all non-Korean forces from Korea.

Mr. FRASER: On that point, is that zone to be 10 miles on each side of the parallel or 20 miles on one side?

Hon. Mr. PEARSON: The proposal was, by the way, accepted by the United States at the time. It is receiving a certain amount of new publicity at present.

I find I have not got the actual text of the proposal before me, but it stated that there should be a 20-mile neutral zone approximately along the 38th parallel, and we had in our minds that it would be from the 38th parallel north.

Mr. FRASER: That is what I wanted to find out—whether it was 10 miles on this side of the parallel and 10 on the other or 20 miles north.

Hon. Mr. PEARSON: We did not actually draw a line, and I do not want to say that it would be a line 20 miles north of the parallel straight across because that would not have been a feasible line—but most of it would have been north of the parallel.

Mr. COTE: Was that 20 miles crossed by the United Nations army?

Hon. Mr. PEARSON: That neutral zone would be policed by the United Nations forces.

Mr. COTE: No, I meant up to now has the United Nations army gone beyond that?

Hon. Mr. PEARSON: They have gone much further than that in their operations.

Mr. JUTRAS: I would like to change the subject but time is running out, and, Mr. Decore has priority.

Mr. DECORE: Mr. Chairman, in our discussions at the last meeting, reference was made to the C.B.C. international service and I think the minister intimated that he would be prepared to make a statement, that is without too much embarrassment to him, with regard to the purpose and nature of the broadcasts, especially to countries in Europe.

Hon. Mr. PEARSON: I did say at the last meeting that I would be glad to do that at the next meeting or a subsequent meeting but, if it would be agreeable, I would like to hold that off until the next meeting, because we are making a pretty careful study of the scripts of previous broadcasts. I want to come prepared with a statement. That would be easier for me than if I tried to speak without accurate briefing. If you do not mind then, Mr. Decore, I will have that ready for the next meeting.

Mr. GOODE: Might I give notice to the minister that I would like to ask a question at the next meeting on details regarding a certain lady from Windsor, Ontario, who is behind the north Korean lines, and is reported to be investigating atrocities. I think you should perhaps devote some time to discussing the subject. It is very interesting and I would like to know, and I give notice now, how she got out of this country. The government must have known where her sympathies lay.

Hon. Mr. PEARSON: I can answer your last question right away. If the lady is a Mrs. Rodd from Windsor, and I will confirm this, then she is a Canadian born citizen. As a Canadian born citizen she would have no great difficulty in getting a Canadian passport. With that passport, and with her sympathies, she might have very little difficulty in getting a USSR visa. A passport does not get you into Russia but a visa usually does.

The lady went to Moscow, I think, in connection with one of these peace meetings and according to the press, which is the only information I have, she seems to have gone to north Korea. However, I will see if we can get any additional information.

Mr. GRAYDON: Why are Canadians running around behind the iron curtain like that? I should think that it should be stopped. There are lots of things for them to do here without them having to go to Moscow and north Korea.

Mr. COTE: That is a matter that concerns the countries behind the iron curtain—and not Canada. The countries behind the iron curtain are free to admit or refuse, but I do not think we can impose our own wishes or force those countries to receive or refuse any of our people who go there.

Mr. GOODE: I do not think that is the point, Canada should have some say.

Mr. JUTRAS: I wonder if the minister would be in a position today, or at the next meeting, to give us a statement on the activities of the International Joint Commission—particularly as related to our section of the country.

Mr. STICK: On your floods again?

Mr. GRAYDON: They came before the committee last time.

Hon. Mr. PEARSON: I can do that. I have a statement here but it might be in a little better form if we waited until the next meeting.

Mr. COLDWELL: While you are speaking of subsequent meetings perhaps we could have something on the I.R.O. and what is being done with the balance of the people.

Hon. Mr. PEARSON: Yes.

I might say a word on the International Joint Commission. It is more active now than it has been for some years in that there are more important references before it. I am not suggesting that its inactivity in the past was undesirable but the fact it was not very active may have showed there were not as many border questions in dispute between the two countries, or no border problems of that kind. Whatever the reason may have been, the fact is that now the commission is very active and has some very important references before it. Some of those are more difficult than were many of the references in the past.

At the present time there is before the commission the Passamaquoddy reference. This is a reference which requested the International Joint Commission to estimate the cost of a full scale investigation which would be necessary to enable the commission, to make recommendations concerning the feasibility of the Passamaquoddy Tidal Power project. The commission has reported that a further investigation, merely on the question of the feasibility of the project, would cost \$3 million. The report as to whether it is desirable or practical at the present time to spend \$3 million on this further investigation is now before the government.

Then there is the pollution of boundary waters reference before the Commission. That reference requested the commission to investigate and make recommendations concerning the pollution of the waters of the St. Mary's river between Lake Superior and Lake Huron, the St. Clair river, Lake St. Clair, the Detroit river and the Niagara river.

Mr. FLEMING: Is that the work of the *Chicago Tribune*?

Mr. GRAYDON: There is some pollution in the air around Windsor.

Hon. Mr. PEARSON: The commission has recommended that the specific objectives for boundary water quality control, set out in its report, be adopted as the criteria to be followed in implementing that part of article IV of the Boundary Waters Treaty of 1909 wherein it was agreed that boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other side.

Then there is the St. John river reference, the Niagara Falls reference, the Columbia river reference, the Libby dam and reservoir project application, the Waterton-Belly rivers reference—which is a very important and difficult one indeed. That reference is a question of the apportionment of the waters of those two rivers. It is now under active investigation and may take a little time.

Then there is the Souris-Red rivers reference, and the Sage Creek reference. So, there is a good deal of work before the commission.

Mr. GRAYDON: May I ask one question. Is the government anywhere nearer a decision with respect to commencing the work of both power and navigation on the St. Lawrence waterway? The reason I ask is this: I understand that if Canada is going to proceed with the St. Lawrence deep waterway on her own, she has to go through a considerable amount of red tape with respect to the International Joint Commission in order to get authority to proceed on certain of the works. I was wondering if the minister can say how long it would take—providing the Canadian government decided to go on its own—to clear all the mass of red tape with the International Joint Commission before we could even undertake the project? That is a factor in the urgency of the situation now, because even if the decision is made now I understand that it is going to take a long time before the thing can be gotten under way. That is why I suggest there is urgency of decision at the moment.

Hon. Mr. PEARSON: Well, I would hope that the unravelling of any necessary red tape would not take very long, but I would point out that the question of an international waterway has not yet been decided and no decision, obviously, can be reached or announced in respect of a Canadian deep waterway scheme until we learn that the international scheme is not possible. If it were decided, and this is hypothetical, to go ahead with the Canadian scheme because of the impossibility of securing United States concurrence in a joint scheme—and that would be the only reason for which such a decision would be made—there could be no progress made on the power aspect of the proposal without approval from Washington. In other words, if the power development of the waterway scheme was a matter for New York state and the province of Ontario, New York state could not proceed with that development without the approval of the Federal Power Commission in Washington. That would in effect mean approval of the administration in Washington.

Mr. GRAYDON: Would that have to go through Congress?

Hon. Mr. PEARSON: I do not know for sure. I do not think that approval would require congressional action; it would require executive action only.

Mr. GRAYDON: That would not be so difficult.

Hon. Mr. PEARSON: That would depend upon the attitude of the executive towards a power scheme developed by New York state and the province of Ontario, and that permission has not previously been granted by the executive

in Washington. The president, I think, has indicated that he would not be disposed to give that permission as long as there was any possibility in his mind of an international navigation and power development; so if Canada decided to go ahead on her own on a power and navigation scheme there would be that hurdle to overcome. Then regarding that particular hurdle you mention, it is true there would have to be a reference—I think I am correct in saying this—to the International Joint Commission but I doubt whether there would be much difficulty in clearing that if all the other difficulties had been removed.

MR. GRAYDON: I can quite understand there would not be much difficulty from our own members on the joint commission but remember there are the same number of American members on that joint commission as there are Canadians, and I think that if there were strong representations from Congress, or from the administration, connected with that, there might be red tape crop up.

HON. MR. PEARSON: I do not want anything I say about this to be construed as suggesting that if it were a purely Canadian scheme and if the power aspect of the scheme, which would have to be international, were agreed upon between the two governments, I am not sure—I would like to look into it more fully—whether it would be necessary to go to the joint commission for a strictly navigational scheme if it were purely Canadian. I would like to reserve my opinion on that.

MR. GRAYDON: There is a question of water levels, I suppose?

HON. MR. PEARSON: I am not just sure of that. I would also point out that the actual plans, the engineering plans for an all-Canadian route have, of course, been completed so there would not be any delay on that score.

MR. GRAYDON: It seems to me that if Congress is going to delay the question the easiest way to get a decision would be for Canada to announce that it is going to go ahead, and then the United States power and transportation lobby at Washington might disappear if Canada were going to build it anyway.

HON. MR. PEARSON: I do not think I can add anything to what I have said or what other members of the government have said.

MR. GRAYDON: May I ask another question? Suppose Congress is favourable finally to the international development of the St. Lawrence deep seaway and it passes legislation accordingly, how many years could develop before appropriations and other red tape down there are cleared in connection with the international building of the project? My own idea is that if congressional machinery adopts this scheme that it might easily mean a delay that will be disastrous and long, and perhaps some decision to go ahead ought to be made by the Canadian government rather than take a chance on it.

HON. MR. PEARSON: The United States government has more than once shown that with congressional authority, it can act speedily and effectively.

MR. GOODE: Mr. Chairman, may I point out to Mr. Graydon and to you, sir, that there may be a big selling job to do in western Canada before you reach the point of congressional authority.

MR. BATER: The minister has mentioned that a production board has been set up. Is it the intention that the function of this board be for peace or war-time production or both?

HON. MR. PEARSON: The board I was referring to was a war production board and it was concerned only with production in the North Atlantic countries for defence purposes.

MR. COLDWELL: Has it anything to do with regard to the allocation of raw material for defence purposes?

HON. MR. PEARSON: The question of allocation of raw materials for defence purposes which is a very pressing and important one, is now really being con-

sidered by separate machinery in Washington, that is, separate from the North Atlantic organization, but that machinery is related to the work of both the North Atlantic organization and the OEEC.

Mr. COLDWELL: Because in the original organization there was provision made for economic co-operation.

Hon. Mr. PEARSON: That is true, but this allocation machinery now operating in Washington is really emergency machinery.

Mr. HIGGINS: Mr. Chairman, I was going to ask whether the minister is prepared to discuss this morning the matter of landing facilities in Newfoundland?

Hon. Mr. PEARSON: I would like to discuss that with a legal adviser sitting close to me, if you do not mind. I could deal probably with some general aspects of it, but the technical and legal questions involved are a little beyond my lay mind without proper advice.

Mr. HIGGINS: I think the minister is being very modest. I understand that the reason leading to the proposed amendments is that the United States wants a further lease of property at Goose Airport where they now estimate an expenditure this year of some \$200 million for the extension of facilities there. Is that not the real reason for this agreement?

Hon. Mr. PEARSON: No, long before the question of additional facilities at Goose Bay came up, long before that, we took up with the United States government the possible revision of the leased bases' agreement—once Canada became part of Newfoundland—so the two questions—

Mr. STICK: I hope that gets into the record, Mr. Chairman.

Hon. Mr. PEARSON: And vice versa. The government thought at the time that a new situation had been created which had a bearing on those agreements and that possibly the United States government taking into account that new situation would be agreeable to discussions with a view to their amendment. As you know, changes have been made. The question of additional facilities at Goose Bay is another question and I will be glad to discuss that at an appropriate time, too.

Mr. STICK: Mr. Chairman, these are only proposed amendments are they not? They have not been signed, sealed, and delivered yet, have they?

Hon. Mr. PEARSON: No, they require parliamentary action. There has been an exchange of notes between the two governments and our government accepted them on behalf of Canada.

Mr. STICK: Then we will have a full discussion in parliament?

Hon. Mr. PEARSON: Yes, we will.

Mr. STICK: As it stands now, they are only proposed amendments; they have not been fully implemented.

Hon. Mr. PEARSON: That is true, but it has been agreed between the governments to enact the necessary legislation to make the agreements effective.

Mr. HIGGINS: But it is fair to say that these considerations entered into the picture very much, is it not?

Hon. Mr. PEARSON: Obviously there is a relationship between the facilities of Goose Bay and facilities at other bases in Newfoundland, but no one agreement depended on the other. I would not like to give the impression that we were bargaining in such an important matter.

Mr. HIGGINS: Would this estimate of the proposed expenditure be about correct?

Hon. Mr. PEARSON: I have not heard that figure and I am not able to confirm it.

Mr. FLEMING: Can we expect this legislation before parliament this year?

Hon. Mr. PEARSON: I think that the government wants to bring it down as quickly as possible. I hope it will be dealt with at this session.

Mr. COLDWELL: This year?

Hon. Mr. PEARSON: As Mr. Martin would say, this year!

Mr. QUELCH: I would like to ask a question regarding Iran? Is the United Nations taking any action at the present time under the United Action for Peace Resolution?

Hon. Mr. PEARSON: No, the question has not come before the United Nations; so far it has been considered as a domestic question.

Mr. QUELCH: Does it have to come before it especially? As soon as you recognize a danger spot have you not the right to send a representative in there to observe things?

Hon. Mr. PEARSON: Any one would have the right to bring any matter before the United Nations as a threat to peace and security, but no one has taken that step yet as regards Iran.

Mr. QUELCH: I noticed in the press that Britain has ordered a parachute brigade to a point within easy reach of Iran. Has Britain the right to send a parachute brigade there without authority from the United Nations?

Hon. Mr. PEARSON: I would not like to comment on that.

Mr. QUELCH: It came over the radio that the parachute brigade has been ordered to some island in the Near East.

Hon. Mr. PEARSON: I have no information from any source which suggests that the United Kingdom government is sending any troops to Iran for the protection of property or persons.

Mr. QUELCH: I did not say they were sending them to Iran, the news item said they were being sent to some point within easy distance of Iran.

Mr. FRASER: On the Suez Canal.

Hon. Mr. PEARSON: That might be a routine troop movement.

Mr. GREEN: Could the minister tell us anything about this conference which is to take place at Malta? I understand there is to be a commonwealth conference held there.

Hon. Mr. PEARSON: We are discussing it with other governments concerned at the present time. As the Prime Minister said the other day he will be making an announcement on that matter in a very short time. This meeting arises out of the recent Prime Ministers' meeting in London when certain defence questions—regional defence questions—of particular interest to some governments of the commonwealth were discussed. In that discussion at the Prime Ministers' meeting, not all of the members of the commonwealth participated because some were not as interested as others in this particular aspect of defence at that time. It was understood in London that these discussions might be followed up with discussions between the Defence Ministers of countries concerned and this meeting is the result of that decision.

Mr. COLDWELL: What countries felt they were concerned, do you remember, Mr. Pearson?

Hon. Mr. PEARSON: At the London meeting—I speak subject to correction—I think all the commonwealth Prime Ministers participated except those of India, Pakistan and Ceylon, but at that time our Prime Minister pointed out that as this was a regional defence discussion and as we had regional defence commitments in other areas, our interest in middle east, Mediterranean, defence would have to be considered in the light of the regional defence commitments we had in other places.

Mr. GREEN: Of course, the difficulty is that you cannot localize these questions any more. What may appear today to be trouble in one part of the world soon spreads all over. Another difficulty is with the question of Turkey and Greece coming into the North Atlantic treaty under consideration; I should think that would change the whole picture.

Hon. Mr. PEARSON: The governments of Australia, New Zealand and South African in two wars had a very special part to play in the Mediterranean and in the Middle East and they have continued to play a more important and active part than other commonwealth governments in the defence discussions of that area and in the defence planning for that area. I think that is all I can say about it now. We will be making an announcement concerning this matter very shortly.

Mr. GREEN: If Turkey and Greece were to be allowed to join the North Atlantic treaty organization then an attack on either one of them would automatically bring Canada into a war, would it not?

Hon. Mr. PEARSON: If Greece and Turkey become members of the North Atlantic organization all the provisions of the pact would apply to them just as to any other member of the North Atlantic pact; the principle of the treaty is that an attack on any one member of the organization is an attack on all.

Mr. GREEN: So if they were to join the organization the Mediterranean would become a very important area to us.

Hon. Mr. PEARSON: The Mediterranean of course at the present time is a very important area for Canada as for all countries. As you point out, it is difficult to operate collective security in water tight compartments. Notwithstanding this, the commitments which the government may be able to make in one area are related to others, because if you spread your commitments too far you may not be able to do very much for any one area.

Mr. FLEMING: I suppose the principle of the North Atlantic treaty is that it applies to north Atlantic countries only. Have we any Mediterranean countries in it now?

Hon. Mr. PEARSON: It includes Italy.

Mr. COLDWELL: And I suppose if an attack were made on any one of those countries it would involve all the other member countries.

Hon. Mr. PEARSON: We have surely learned in the last year, regardless of any special commitments we may have as a result of any special pact, an attack on any country can result in the United Nations, or member nations thereof, intervening in the defence of that country, wherever it may be. We did not have any special obligations to go to the help of Korea, but the action we took rose out of the principle of collective security; not because of the North Atlantic pact, but as a matter of collective security obligation arising out of the United Nations charter.

The CHAIRMAN: Mr. Minister, I think probably you have heard this subject referred to a few times, and I think you may have read something about it; I refer to the practice of Mr. Malik, Mr. Vishinsky and Mr. Gromyko walking out of some of the committees of the United Nations; and a lot of people came to the conclusion that Russia intended to quit, and I suppose a lot of the United Nations would have no objection to that, and no doubt Russia would welcome it because they are always receiving publicity—when I was there two years ago I remember they got a lot of publicity. What is the attitude of Canada in a matter of this kind? Do they ever fear that Russia would quit, or are they wishing she would quit?

Mr. COLDWELL: That is a rather delicate question.

The CHAIRMAN: I know it is, but it has been mooted in the papers quite a bit.

Hon. Mr. PEARSON: There have been meetings at the United Nations at which after six or seven hours of wrangling one might come to wish that the Russian delegation were not there, but that would be an unsound basis on which to formulate a policy in regard to membership in the United Nations. Our position remains as previously stated, that we should not do anything to the detriment of the universal character of the United Nations membership. Certainly, I think we would be unwise if we took steps to drive the U.S.S.R. out of the organization. If they wish to withdraw from the organization, or if they took steps which resulted in their withdrawal from the organization I think that shall be their responsibility and not ours. I think there is still some value in maintaining even in theory the universality of one world organization.

Mr. COLDWELL: On this question of universality I seem to recall that there was some suggestion that a resolution might be moved in the assembly to admit all those nations that are now excluded either by opposition from democratic nations or by opposition from the communist countries. Was there anything further done about that?

Hon. Mr. PEARSON: No, it was not, if I remember correctly, proceeded with. It got very little support.

Mr. COLDWELL: It got very little support?

Hon. Mr. PEARSON: Yes.

Mr. STICK: I would like to ask the minister a question about the meeting of deputy foreign ministers in Paris. They seem to be holding quite a number of meetings and so far, apparently, have not been able to decide on an agenda, and I was wondering if the minister would care to make any comment on that. I suppose we are not interested in that directly.

Hon. Mr. PEARSON: We are of course interested in it. I noticed in the press this morning that the sixtieth meeting of the deputy foreign ministers took place and it lasted five minutes. They seem to be taking a long time to agree on an agenda. I suppose this may be taken to mean that the U.S.S.R. have not yet decided whether they want a meeting of the foreign ministers this summer or not. It may be that they have not made up their minds, and if they have not decided they may stall along indefinitely.

Mr. STICK: Have we any liaison there?

Hon. Mr. PEARSON: We have very good reports on what goes on at any of these meetings. We hope that they will be able to agree on an agenda and that a meeting of foreign ministers can take place. I think the advantages of such a meeting probably outweigh the disadvantages.

Mr. COLDWELL: Is there any possibility that the deputy foreign ministers cannot agree?

Hon. Mr. PEARSON: Yes, it is possible, but even if the deputy foreign ministers fail to agree, suppose they report that they were not able to agree on an agenda, or report an alternative agenda, then it would still be open to the foreign ministers themselves to hold a meeting.

Mr. COLDWELL: But apparently they have not made up their minds. Do you know whether they have or not?

Hon. Mr. PEARSON: I do not know. I do not think they have made up their minds. Moscow may not know what it wants to do.

Mr. Low: What is Canada's present attitude toward the admission of communist China to the U.N.?

Hon. Mr. PEARSON: I tried to deal with that a little while ago. I said that so long as this war of open aggression and fighting in Korea continued the question should not even be considered.

Mr. COLDWELL: Was north Korea ever a member of the United Nations?

Hon. Mr. PEARSON: No; north Korea was never a state recognized by us.

Mr. GREEN: Is there still a committee of military staff members, permanent members of the security council, the one which meets in Washington?

Hon. Mr. PEARSON: Yes, there is a military staff committee which meets in New York, and there is a collective measures committee which is working out the details of a report which will result in the setting up of a United Nations force.

Mr. GREEN: And Russia is a member of that committee, is it not?

Hon. Mr. PEARSON: Russia is a member of the military committee, yes. I think Russia is also a member of the collective measures committee—I am not sure of that, but we can check it—I think Russia is a member.

Mr. GREEN: What are they doing?

Hon. Mr. PEARSON: May I refer, Mr. Chairman, to the question about the necessity of referring to the International Joint Commission the question of an all Canadian waterway which Mr. Graydon brought up and to which I gave a tentative reply. This reply was not strictly accurate because the legal situation, I am informed, is as follows, and I would like this to qualify what I previously said. I am informed that there would be no necessity to refer to the International Joint Commission a purely Canadian scheme for navigation. It would be necessary to have a federal agreement between Canada and the United States for any power development and for that purpose reference to the International Joint Commission might be desirable, but the difficulty that Mr. Graydon mentioned of a reference to the International Joint Commission with a possible delaying effect on a Canadian navigation scheme alone does not arise.

Mr. FLEMING: The minister said, a reference of the matter to the International Joint Commission might be desirable.

Hon. Mr. PEARSON: My note is that it might be desirable as a principle but I infer that it would not be absolutely necessary.

I am just informed that the U.S.S.R. is not a member of that Collective Measures Committee.

Mr. GREEN: Well, are they attempting to work it out?

Hon. Mr. PEARSON: We are not on the Military Staff Committee which is responsible to the Security Council and whose meetings are all confidential. The Collective Measures Committee, a quite distinct committee, which is responsible to the General Assembly and which also meets privately, has not reported yet. Indeed, there may not be a report until the next Assembly. I hope that it will be a very full report.

Mr. GREEN: What happened to the far eastern commission?

Hon. Mr. PEARSON: The far eastern commission is still in existence but its main work is completed because the draft of the Japanese peace treaty is now before the governments for consideration.

Mr. FLEMING: May I go back to the matter of Greece and Turkey possibly being taken into the north Atlantic treaty organization. Has the government reached any decision on that matter?

Mr. LESAGE: That question was dealt with at the last meeting.

Mr. FLEMING: But I was not at the last meeting, and I was wondering whether the minister could tell us whether or not the government had reached a decision on that matter.

Hon. Mr. PEARSON: We have got no further than indicated in my statement at the last meeting. I think that was the first published statement that has been made by us and I think if I may I will refer you to it. I divided the problem up into its military and political aspects. The military side of it

would be important today if anything happened affecting security in the Mediterranean and the Middle East. On the political side the North Atlantic pact visualizes an association of North Atlantic countries coming closer together for economic and social reasons as well as for military, and the building up of a united North Atlantic group, a regional association of states. Additional member states outside of that community might have some bearing on that development. On the other hand, at the present time the military security aspects are very important indeed, and that is why we all agree in the North Atlantic Command that we should try and work out some way by which Turkey and Greece can be more closely associated with our security organization, whether by full membership or in some other way.

MR. FRASER: I wonder if the minister could tell us whether we have a representative in Japan or Formosa at the present time? Have we an embassy there?

HON. MR. PEARSON: No, we have no embassy there but we have a liaison mission who keep in touch with the situation for us. As a matter of fact, the liaison officer occupies the buildings formerly occupied by the Canadian diplomatic representative. I refer to Mr. Arthur Menzies. He has a small staff and is acting as our representative. We have no formal representation of any kind in Formosa at the moment.

MR. COLDWELL: Sometime I would like to take up the question of refugees. That is a very important matter.

HON. MR. PEARSON: Well, I can have a report on that.

MR. LOW: Have you anything to say about the work of the United Nations Rehabilitation commission in Korea?

HON. MR. PEARSON: I might say something about that. They are in operation in Korea and they have received contributions from a number of countries, including \$7½ millions from Canada. The problem, of course, is very difficult because no country has ever been devastated more completely I suppose than Korea. Steps are being taken to deal with the problem within the limits of the resources now available but as long as the fighting is going on it is difficult for a civilian relief organization to operate with anything like maximum efficiency. Just as we learned in 1945-46 that U.N.R.R.A. could not operate effectively while military operations were going on, so the lesson is being repeated in Korea. The actual job of keeping refugees alive in Korea is being taken care of by the military in the form of military relief, but the United Nations organization is now in Korea, it has established relations with the military relief agencies and it is beginning to do some work on its own. The director general is Mr. Kingsley; he is also director general of the I.R.O.; and the deputy director general, a very experienced person who is in Korea now is Sir Arthur Rucker. They have already done useful work, but the period of their greatest usefulness will not really begin until military operations have receded.

MR. GREEN: Has any thought been given to the case of Mrs. Rodd, who goes to north Korea where the Canadian troops are fighting against the north Koreans and then eventually comes back to Canada and tells the people of Canada about all the terrible things the United Nations forces are doing to the north Koreans, bringing out by comparison what we heard about the Canadians doing in Germany in the recent war. The Canadian people were told about the awful things—the atrocities—perpetrated by the Canadian troops in that war. Now, it seems to me that brings up a question that just cannot be brushed aside. Mrs. Rodd is over there as a nurse behind the north Korean lines and she can eventually come back and tell our people what she alleges to have seen there. I think there should be some way of stopping that sort of thing.

Hon. Mr. PEARSON: I would suggest that that situation is not different, at least in some respects, from that of Canadians at home, who say the same things about the United Nations action in Korea.

If Mrs. Rodd is guilty in that regard—and I certainly am not attempting to defend her; I think it would be atrocious conduct—any action that might be taken against her for what she said about alleged atrocities in Korea would apply equally, in my opinion, to Canadians in Canada who said the same things.

Mr. GREEN: I think there is a difference, Mr. Chairman.

Mr. FLEMING: There is a possibility. Mrs. Rodd has gone to Korea, a country which is engaged in hostilities with Canada, as well as with other nations.

Hon. Mr. PEARSON: Would that make a legal difference in the kind of situation you have now?

Mr. FLEMING: I think it would make a difference. If Canada is a party to the hostilities vis-à-vis north Korea, and a Canadian national goes to north Korea, it seems to me there is a fundamental legal distinction there, and it seems to me that the point which Mr. Green makes in comparing that situation with a case where a Canadian, let us say, went to Germany during the last war, has a lot of force to it.

Mr. GREEN: If your contention is correct then there was no difference between 1939 and 1945. Consider a Canadian in Canada criticizing Canadian troops. Let us say a Canadian went to Switzerland, managed to get over the German border, was friendly with the Germans, and was obviously on their side. That Canadian then came back home to Canada and told about alleged atrocities committed by Canadian troops.

Hon. Mr. PEARSON: I appreciate that difference; but I think the legal situation is not the same as it was in the war against Germany. Of course, legally, we are not at war in Korea. We are simply engaged with other United Nations forces in a police action. That may be a distinction without an actual difference.

But I think there is a legal difference because we cannot apply, as I understand it—and I am not a lawyer—we cannot apply our laws in this situation in the same way as we could apply them if there was a war between ourselves and the other country.

Mr. FRASER: But that woman could not be in north Korea unless the Russians had helped her to go in there.

Hon. Mr. PEARSON: Of course.

Mr. FRASER: She is there for no other purpose.

Hon. Mr. PEARSON: Of course; and I am not attempting to defend her at all. I am trying to suggest that the same kind of offence is being committed in Canada today by Canadians, but probably not to the same extent. If you will read the communist newspapers in Canada, you will see some of the things they are saying about our operations in Korea.

Mr. GREEN: But this woman has actually gone to north Korea. She is there with the consent of the north Korean government, and the north Korean government are our enemies at the moment.

Hon. Mr. PEARSON: I suggest to you that she has either committed treason or she has not committed treason. Isn't that the case?

Mr. LESAGE: I think it is a case for the courts, Mr. Chairman.

Hon. Mr. PEARSON: Yes; but on what other ground could we try her in the courts?

Mr. GREEN: It may be necessary to remand her under the Treason Act.

Mr. FLEMING: It may be because we have a new kind of situation where Canada is carrying on hostilities without being de facto at war with a particular country, that we have got to give consideration to closing a gap which may be in the law of this country.

Mr. COLDWELL: We must be careful not to fall into the trap of being like the iron curtain countries.

Mr. FLEMING: Anything which is to be done must be done by process of law.

Hon. Mr. PEARSON: It is a question of law. It may be there is a gap which should be closed. If she has committed treason in north Korea, then she is liable to the penalties of the law. But if she has not committed treason, I do not know how you would try her.

Mr. GREEN: There is no reason why a communist cannot go from Canada to Russia, thence into north Korea, and then come back peddle her stories all over the country. The government must face that possibility.

Mr. FRASER: She will likely come back here with a whole lot of Russian pictures which the Russians have taken and handed to her to transmit here. Of course, those pictures will be fakes; but they will blame it all on the United Nations forces.

Hon. Mr. PEARSON: We have been subjected to that kind of thing right in the United Nations itself.

Mr. FRASER: Oh, yes.

Hon. Mr. PEARSON: The Russians show those pictures at the United Nations.

Mr. LOW: The suggestion is made that when Mrs. Rodd comes back she be sent as our ambassador to Baffinland for a period of 25 years. The legal authorities can take up that matter.

Hon. Mr. PEARSON: What we can do here is to investigate the nature of her attacks if she returns. I do not know for certain if she has been in north Korea or not.

Mr. FRASER: If she does return to Canada, she will undoubtedly have in her possession a great deal of literature, pictures and one thing and another. Is there no way by which the authorities could intercept that material when she arrives in Canada?

Hon. Mr. PEARSON: We would be glad to look into it.

Mr. HIGGINS: Mr. Chairman, I want to ask the minister something a little different from this matter. I do not know if he can tell me, but has any progress been made about an amendment to the Migratory Birds Act?

Hon. Mr. PEARSON: Yes, there has been great progress made.

Mr. HIGGINS: Thank you very much.

Hon. Mr. PEARSON: And I hope it will be possible to say something about it in a day or two, in case you do not already know about it.

The CHAIRMAN: Do I hear a motion to adjourn now? Could we agree to meet on Monday evening at 8.00 o'clock?

Agreed.

Thank you, Mr. Minister, and thank you, gentlemen.

Canada, External Affairs
Standing Committee, 1951

SESSION 1951

HOUSE OF COMMONS

CAIXCI

E91

STANDING COMMITTEE

Government
Publications

ON

EXTERNAL AFFAIRS

CHAIRMAN: MR. J. A. BRADETTE

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

MONDAY, MAY 28, 1951

ITEMS 84 TO 91 INCLUSIVE—

Main Estimates of the Department of External Affairs

WITNESS:

Mr. A. D. P. Heeney, Under Secretary of State for External Affairs.

OTTAWA

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
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Diefenbaker	Lesage	Richard (<i>Ottawa East</i>)
Fleming	Low	Robinson
		Stick

Clerk: Antonio Plouffe.

CORRIGENDUM

Minutes of Proceedings—No. 1, page 6, line 13:

Item 845 should read "*Item 84*".

MINUTES OF PROCEEDINGS

MONDAY, May 28, 1951.

The Standing Committee on External Affairs met at 8 o'clock in the evening. Mr. J. A. Bradette, the Chairman, presided.

Present: Messrs. Benidickson, Bradette, Coldwell, Croll, Dickey, Fraser, Gauthier (*Lake St. John*), Goode, Green, Jutras, Leger, Lesage, Low, MacInnis, Murray (*Cariboo*), Quelch, Richard (*Ottawa East*), Stick.—(18).

In attendance: Mr. A. D. P. Heeney, Mr. H. O. Moran, Mr. S. D. Hemsley and Mr. F. M. Tovell.

The Chairman welcomed Mr. J. Van Schreven, Counsellor at the Netherlands Embassy.

On a question of privilege, Mr. Coldwell referred to a newspaper report of a broadcast by Honourable L. B. Pearson on May 26th which appeared in the *New York Times* and asked why the speech was not reported as fully in the Canadian newspapers. Mr. Low also quoted an extract from the same speech. Mr. Coldwell said that he had informed Mr. Pearson that he would bring this matter before the Committee.

After a debate thereon, it was ordered that copies of the said speech be supplied to the Clerk for distribution to the members of the committee.

ITEM 84—DEPARTMENTAL ADMINISTRATION

Mr. Heeney was called. He answered a question asked at the previous meeting concerning the printing of a departmental paper intituled "Documents on the Korean Crisis".

The witness tabled for distribution copies of a comparative breakdown of the estimates under review. He made general comments and gave the relevant references to the Blue Book on Estimates.

Mr. Heeney's examination was begun. He was specifically questioned on:

1. External affairs personnel and staff turnover.
2. Passport office.
3. Accommodation abroad.

Items 84, 85, 86, 87, 88, 89, 90 and 91 were adopted.

The Committee discussed at some length, Canada's representation at the United Nations, particularly the appointment of delegates and parliamentary advisers. The advantages derived by a group of parliamentarians in a visit made in May, 1947 at Lake Success in the course of the Second Session of the General Assembly were emphasized.

Mr. MacInnis occupied the chair from 9.10 to 9.25.

At 10.05, the Committee adjourned until Wednesday, May 30th at 4 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

MAY 28, 1951.

The CHAIRMAN: I will call the meeting to order. We will hear from Mr. Coldwell first.

We are still on item 84, departmental administration, and after a statement by Mr. Coldwell, Mr. Heeney will go on and there will be a period of questioning.

Mr. COLDWELL: According to the *New York Times* yesterday, the Minister of External Affairs made what appears to be an important speech over the United Nations radio on Saturday. It got front page publicity in the *New York Times* but was hardly mentioned in the Canadian papers.

He re-stated objectives in the present United Nations action in Korea:

1. The defeat of aggression in the Republic of Korea. This obviously I presume must be interpreted as meaning South Korea.

2. To prevent a third and atomic world war. He said that if such a war developed "we bring on the very cataclysm which United Nations action in Korea can help to prevent."

3. He stated that if U.N. troops continue to repulse the invader, Chinese communists might decide only Russian interests were being furthered in the Korean war.

4. Then "they may be ready to enter into discussions leading to a settlement of Korean and other far eastern issues on the terms the United Nations can accept."

5. While urging continuance of the fight against "aggressive communist imperialism" he called for "more humility and understanding" and the realization that "our civilization must now be considered as only one of many".

6. He enumerated future tasks as follows:

- (a) To band together against aggression
- (b) To be ready for honourable negotiations
- (c) To strengthen the social, economic and moral fabric of the world.

It strikes me this is an important pronouncement coming as it does at the end of a week when other and quite different statements have been made by spokesmen for the United States. It is true that the speech of the Assistant Secretary of State for External Affairs in the United States, Mr. Rusk, was later described by Dean Acheson as indicating no shift in United States policy. It will be recalled that Mr. Rusk characterized the Chinese communist government as a colonial Russian government, and General Bradley, in reply to questions before the Senate committee, stated that the time had not yet come to use Chiang's troops against the Chinese main-land. In addition, the United States has, according to press reports, informed other United Nations acting in Korea that it will not negotiate a settlement on the basis agreed upon in January. That basis as I understand it, was:

1. Cease fire.

2. Conference among United States, United Kingdom, U.S.S.R., and the Chinese Peiping regime on all problems under dispute including:

- (a) Korean settlement
- (b) Formosa
- (c) The seating of the Peiping government of China in the United Nations Assembly.

Should similar proposals be forthcoming from China now on this basis what is Canada's present position on these matters? It is reported that Sir Oliver Franks, the United Kingdom ambassador at Washington, discussed with the United States last week the far eastern situation in an endeavour to obtain a clarification of United States policy.

What I am asking is if the Minister can clarify for the committee and the people of Canada the apparently changed and conflicting statements emanating from the United States regarding the basis of negotiations for the ending of the Korean war now that the fourth all-out communist offensive in Korea since last October appears to have been defeated? It is important, I think, that the present confusion as far as we are concerned in this country should be ended.

Of course I know that he cannot speak for American policy but I do think, in view of the confusion that exists in the public mind—not only in the United States but reflected in our own country—that if Mr. Pearson as Minister of External Affairs can do anything to give the Canadian people an idea of how this war can be brought to an end honourably, and where we and the other countries are thinking of going in connection with the war, I think that would be valuable. That is the reason I raise the question.

I read the speech Mr. Pearson made very carefully—as far as I could read it in the *New York Times*. He told me that he would send me a copy but I have not received it yet.

I thought the speech was one that should receive some attention by this committee and by the country although I have not seen it reported in the Canadian papers.

Mr. STICK: Why did you not raise that this afternoon? Do you think the committee should deal with it or should you not have asked Mr. Pearson in the House?

Mr. COLDWELL: Well, you cannot do more than ask a single question on the orders of the day, and I think that when the External Affairs Committee is sitting it is probably better to ask a question on external affairs here where the minister can make an extended answer and where further supplementary questions can be asked—rather than in the House.

Mr. Low: It is very properly raised. I too read the speech, Mr. Chairman, and I have one question that may well be put for Mr. Pearson at a time when he can answer.

He has reported to have said in the same speech: "Complete capitulation of the enemy might not be necessary. The United Nations objectives can be obtained with the defeat of aggression."

Well, now, I think it would help the committee and the Canadian people generally if the minister would define what he means by "defeat of aggression". I notice Mr. Coldwell mentions that he presumes it refers to South Korea?

Mr. COLDWELL: That is what it looks like—"the republic of Korea", was the statement.

Mr. Low: I think it would be advisable to have a pretty specific definition of that term—defeat of aggression. In the first place we know that China is branded as an aggressor—China became an aggressor the minute she stepped into North Korea. Now does "defeat of aggression" mean driving China completely out of North Korea as well as South Korea or what?

Mr. MURRAY: I think each member of the committee should have a full transcript of the speech before we begin to pass judgment.

Mr. Low: We are not trying to pass judgment. I would say, Mr. Chairman, that these are merely specific questions arising out of the speech. I imagine Mr. Coldwell would feel as I do that we should wait for Mr. Pearson to come back and give us the answers.

Mr. MURRAY: I think we could very well be provided with a copy of the speech?

Mr. A. D. P. Heeney, Under Secretary of State for External Affairs, called:

The WITNESS: I would be very glad to see that members of the committee get a copy of the speech. I think I know what the minister had in mind but I think it would be improper for me to answer for him. I think the committee would prefer to hear from his own lips.

Mr. STICK: There is just one thing, Mr. Chairman. There is a committee of three of the United Nations set up to sort of probe the possibility of peace. There is a representative of India, Persia, and now Sweden.

The WITNESS: A good offices committee.

Mr. STICK: How does all this questioning tie in with the work of that subcommittee of the United Nations?

The CHAIRMAN: I believe that after the statement made by the minister himself, he will have no objection to giving more elaboration of some of the aspects of that statement.

Mr. Low: I might explain the reason I asked the same question: it did appear that Mr. Pearson was making a more specific restatement of policy with respect to Korea, and in order to get something more definite as far as this committee is on that policy I think we were entitled to ask the question. I think Mr. Coldwell very properly brought it up.

The CHAIRMAN: Mr. Heeney, would you give copies of the speech to the secretary and he will make a distribution?

Now, before we proceed with the items of departmental administration, I want to say that we are honoured to have with us Mr. W. Van Schreven, counsellor for the Netherlands embassy in Ottawa.

Some Hon. MEMBERS: Hear, hear.

The WITNESS: Mr. Chairman, before I make a general statement as is customary at the beginning of the consideration of the details of the department's estimates, I might perhaps give the information that was not available the other day when Mr. Coldwell asked the question: how many copies of the white paper on Korea had been distributed?

The distribution was as follows:

Members of the Senate and House of Commons—500

Press and radio—225

Canadian missions abroad—1,200

Foreign representatives in Canada—83

Canadian government libraries and official use—179

Canadian libraries—83

Mr. COLDWELL: How many were printed altogether?

The WITNESS: 4,530.

Mr. COLDWELL: That is not a very large printing for an important document of that description which needs to get into the hands of quite a few people.

By Mr. Croll:

Q. How would the United Nations groups get that—I mean the United Nations societies?—A. How are they provided with that information?

Q. Yes, how do they get it?—A. Normally they buy it from the King's Printer at 15 cents a copy. I do not think there is a special rate for that publication—there are for some of our publications, but they would normally buy them.

Q. You do not send it to universities?—A. Some of the libraries would be university libraries but we do not normally send them to universities as such. I think I perhaps should explain that we are under a good deal of pressure to

keep our costs down, as the committee will know. Printing is an expensive business and we try to get the best coverage we can for the limited funds that are available to us for that purpose.

By the Chairman:

Q. How many would be used? What would be the total number used out of the 4,530?—A. I do not know whether the King's Printer has any left. I suppose and I would expect he has, from the figures I gave.

Q. That many have been distributed?—A. The individual numbers I gave represent the distribution. 4,530 represents the total printed. I take it the residue has been disappearing through sales by the King's Printer.

Mr. GOODE: Before Mr. Heeney goes on can you tell us when we are going to start receiving printed copies of the proceedings of this committee?

Mr. CROLL: In a few minutes.

The CHAIRMAN: The secretary tells me he expects No. 1 any day. They have been under pressure at the printing bureau because there is so much being printed at the present time. We will make a special request in an effort to see if we cannot expedite the printing.

Mr. GOODE: It is most difficult sometimes to follow the questioning.

The WITNESS: Mr. Chairman, there has been distributed to each member of the committee a so-called break-down of the department's estimates for this fiscal year—1951-1952 related to the estimated expenditures for the previous fiscal year.

Members of the committee who were here last year will recognize that in this instance more detail has been given and that the estimates, as indeed appears from the printed book, are in a different form. That is the result of the committee's experience and I think members of the committee will find them easier to understand. These are divided into two sections—"A" being department and missions abroad, and "B" being general, which total includes government assessments for membership in international or commonwealth organizations and certain other services such as the International Joint Commission, and certain terminal services.

It will, I think, be an advantage to members of the committee to have our estimates both in the printed blue book and in the break-down which we have distributed this evening—broken down into these two main sections.

It has been customary in previous years for the under secretary to make a general statement drawing attention to certain of the major changes in the departmental estimates from the previous year, in order to assist the committee in the examination of the detailed votes as they come forward. With your permission, Mr. Chairman, I will proceed to do that.

In commenting on this year's figures it might be best to refer first to the larger items. To begin with, therefore, I might direct the committee's attention to the total amount "to be voted"—\$11,701,395 for the Department of External Affairs in the main estimates for the fiscal year 1951-52. This will be found on page 3 of the mimeographed statement, of which copies have been distributed.

This grand total, this figure of some \$11 $\frac{3}{4}$ millions, is approximately \$11 million less than the amount asked for in main and supplementary estimates last year. This \$11 million difference, taken by itself, may be misleading unless an explanation is given. For, already in the 1951-52 supplementary estimates a single item of \$25 million has been added, representing the Canadian contribution under the Colombo Plan. That distorts immediately the impression that would be created by a person reading this Blue Book and having no other terms of reference. This illustrates the importance of making a separation between "A" the department and missions abroad, and "B", the general section into which the estimates are now divided.

In this respect the estimates of the Department of External Affairs differ from those of other government departments. Some 30% of the amount requested in the main estimates, or about 80% of the total of this year's main and supplementary estimates represents Canadian contributions to various international organizations. Once the government's decision has been taken in favour of Canadian participation in these organizations, the funds required must be asked of parliament and there is little the department can do to affect the amount involved. In these days of growing awareness of the need for relief in some areas and development in others, it may be expected that the amounts provided in the department's estimates for items other than those required for our normal departmental activities may for some time exceed those needed for departmental activities in the normal sense.

Moreover, our estimates carry amounts for the International Joint Commission, which though reporting to the House through External Affairs, does not form part of the department itself.

Section A—"Department and Missions Abroad"

For this reason I suggest that the committee consider first the amounts being asked for under Section A—"Department and Missions Abroad", the total of which this year is put at \$8,548,421 and which is to be found on page 14 of the Blue Book. This amount, apart from two relatively small grants represents the true operating costs of the department at home and abroad. I should perhaps say at the outset that the figures shown for the current year include recent upward salary adjustments.

The total of some \$8½ million under "A—department and missions abroad" is an increase of some \$800 thousand over the comparable total last year. This increase is more than accounted for by the inclusion this year of one substantial item. I refer to that covered by Vote No. 88—which is entitled "Representation Abroad"—to authorize the construction, acquisition, improvement and furnishing of properties, for Canadian government offices and residences abroad, payment therefor to made in foreign currencies that are not convertible into Canadian or United States dollars and that may be used only for governmental or other limited purposes and that have been acquired in respect of reparations or pursuant to the settlements of claims arising out of military operations or war expenditures, or in exchange for other such currencies so acquired.

Members of the committee will recognize this is substantially the \$1 item of other years.

MR. CROLL: It has grown has it not?

THE WITNESS: Very substantially. Of itself that more than explains the increase in this particular part of the estimates.

MR. STICK: Does that mean that the amount standing to our credit for foreign currency is used up to that extent?

THE WITNESS: No, it does not. It means that of the total standing to our credit in this account, we propose to spend this amount which is indicated in vote 88.

MR. STICK: In addition to what you are spending out of blocked currency over there?

THE WITNESS: No. This is the amount we expend out of blocked currencies, and I think as I shall explain in a moment, this is being voted in Canadian dollars, or rather I should say it is proposed to be voted in Canadian dollars. It will not in effect represent an expenditure in Canadian dollars, but rather an expenditure in blocked currency, from credits which we have outstanding in Europe.

MR. COLDWELL: And you will tell us what that comprises a little later on?

The WITNESS: Yes, I shall answer any question about it.

Mr. COLDWELL: You do not invite questions now?

The WITNESS: I would rather finish my general statement if I may.

First, it will be recalled that last year the committee recommended that the "practice of placing a nominal sum in the estimates of the department to enable the use of blocked currencies to acquire real and personal property in foreign countries be revised so that such purchases can be made by a method under which such expenditures will be directly voted by parliament".

In compliance with this recommendation, we are, this year, asking for authority to spend for these purposes \$1,042,500 from inconvertible foreign currencies; this replaces the nominal "\$1 vote" of former years.

The funds required for expenditures under this authority, however, will continue to come from blocked funds abroad. They do not represent Canadian dollar expenditures, although expressed in dollar terms.

At this point I think it is pertinent to mention that, wherever blocked funds exist abroad, we can and do use them for local operating expenses, as well as for the purposes mentioned in vote 88.

Although such operating costs are charged against our regular dollar appropriations, no actual use of dollars is involved.

During 1950-51, that is, the last fiscal year, some \$235,000 in local operating expenses were met from blocked currencies: \$20,000 in Denmark, \$110,000 for the two Paris offices, \$50,000 for the three German offices, \$20,000 for the Netherlands, and \$35,000 in Yugoslavia. So that that is an additional use to which we are able to put these blocked currencies.

The inclusion of more than a million dollars where only one dollar was provided before, more than accounts for the increase this year of some \$800 thousand in our total departmental operating expenses, votes 84-94 under Section A of the estimates.

If this special item were to be omitted, that is if our estimates were set up as they were last year, we would show an actual decrease of some \$225 thousand for the administration of the department at home and abroad.

This reduction in operating costs is made up of approximately \$100 thousand in departmental administration; that is vote 84; \$500 thousand in properties and furnishings to be made from Canadian dollar funds, that is vote 87; and increases of approximately \$350 thousand in representation abroad, operational, that is vote 86. And of \$25 thousand for a grant to the international red cross, that is, a net decrease of some \$225 thousand.

I mention this not in order to take any particular credit for it but rather to give the committee an opportunity to compare what we propose to spend on operations this year as compared with what we estimated we would require for last year, and as compared with what we actually will have to spend for the last fiscal year.

The major part of this reduction in operational costs, a \$500 thousand reduction in vote 87 for capital projects needing Canadian dollars, results from decisions taken by the department in this year of heavy defence expenditures to cut our provision for the alteration, reconstruction and furnishing of our buildings abroad and to include no provision whatever for the purchase of premises which cannot be made with blocked currencies. This year we are not estimating for any purchases from the Canadian dollar fund.

These are special economy measures because of the special circumstances and the need to concentrate on defence requirements.

Frankly we are taking chances in reducing this vote.. For in the past, we have usually carried enough money under "Representation Abroad" to provide for conditions where there was no reasonable alternative to purchase available.

Our operating costs abroad—that is vote 86—are up nearly \$350 thousand. Of this amount \$250 thousand is accounted for by salary increases and the fact that, during last year, we opened two new missions, one in Paris to the Organization for European Economic Cooperation, and the other, the Consulate General in Venezuela.

These factors, taken with the greatly increased costs of operating our Mission in Poland because of the revaluation of the Polish zloty, make up \$250 thousand of the increase. The remainder represents the generally higher costs in the other countries in which Canada is represented. And that, of course, as members of the committee will realize, is right across the board. The cost of operating missions abroad has gone up with the general inflation.

Mr. COLDWELL: And if there should be another revaluation, it would affect you again, would it not?

The WITNESS: Yes, sir.

At home, we are down \$100 thousand in departmental administration. That is vote 84; and we are up \$11 thousand in the passport office administration. That is vote 85. Our increase in the passport office vote is more than accounted for by a proposed expenditure of some \$20 thousand to microfilm our passport records.

Our decrease of \$100 thousand in departmental administration has been achieved, in spite of increased salary costs of more than \$100 thousand, largely by reductions in travel and removal expenses, communications services and in publications and other informational material.

The remainder of our votes under "A—Department and Missions Abroad" remain substantially the same as last year. You will, however, notice one new vote, vote 94, "Grant to the Canadian Red Cross Society for international activities of the Red Cross"—\$25 thousand.

Now for some general comments about Section B of the estimates.

Under this section are included the government's contributions in the international field.

I should mention that contributions payable in United States dollars have been calculated at the Canadian equivalent of \$1.06. There is, therefore, some slight saving on exchange over the amounts asked for last year.

The committee may perhaps be puzzled about three of the contributions: Those for F.A.O., I.C.A.O., and W.H.O.

The F.A.O. contribution asked for in these main estimates is only one-half of the total amount required for the year 1951. Because the F.A.O. was moving its headquarters to Rome, they were pressed for funds and asked if the Canadian government could make a partial contribution early in the year 1951.

Accordingly, the department raised one-half of our assessment for 1951 in the Final Supplementary Estimates 1950-51. The amount now asked for is the balance of the 1951 contribution.

The contributions for I.C.A.O. and W.H.O. do not appear in the contributions column for 1950-51 for the reason that the 1950 contribution was raised in the Final Supplementary Estimates of the year 1949-50.

Since that time, however, the department has taken the stand that, unless there are compelling reasons to the contrary, the department will raise its international contributions at one place and at one time, i.e., the Main Estimates of the department. And we shall try very very hard to stick to them.

I think the members of the committee will appreciate that there are different organizations for different financial problems and they sometimes bring pressure upon us to try to help them out in their difficulties.

Now, with respect to the International Joint Commission, although the statute provides \$75 thousand for the salaries and expenses of the International Joint Commission, we have estimated for an expenditure of \$55 thousand only,

as being more in line with the current rate of expenditure. Notice will be taken of two new references which are now before the commission, the St. John River reference, and the Niagara Falls reference, each estimated to require \$50 thousand during the fiscal year.

With respect to terminable services, it is under this broad heading in our estimates that the government's principal contributions for relief and development fall.

As the amount voted last year for the I.R.O. was considered adequate to carry the organization through its winding-up activities—which are estimated to be completed early in 1952—no amount has been asked for this organization for the 1951-52 fiscal year. The "Hard Core" problem is receiving separate consideration and may have to be the subject of a further supplementary vote.

As for the 1951 contribution for U.N.I.C.E.F., \$500 thousand, unknown at the time the main estimates were prepared, is included in the supplementary estimates, 1951-52, that is, in the supplementary estimates for this current year, and that does not appear before you.

In what I have said so far, I have, I think, drawn attention to the more significant changes in our estimates this year. No doubt, further questions will occur to members of the committee when each vote comes to be considered. We shall do our best to answer them satisfactorily.

Before the committee proceeds to consideration of the individual votes, however, I would like to call attention to an item in the estimates, not specifically under the amount to be voted for this department, but nevertheless directly connected with our operations. I refer to vote 566, on page 71 of the blue book, under "Loans, investments and advances."

This vote reads:

To authorize and provide for working capital advances in the current and subsequent fiscal years to maintain cash and bank balances at Department of External Affairs posts abroad subject to regulations of the Treasury Board, the amount of advances hereby authorized outstanding at any time not to exceed \$300 thousand.

Certain members of the committee may remember some discussion we had in the committee concerning our difficulty about year end financing, not only for our own department but for other departments which operate abroad.

This is advice which has been proposed by the Treasury officials to meet our difficulties, and in that regard I might at a later stage, if the committee wishes, make a more detailed explanation of this working capital vote which is proposed.

That is all that I had proposed to say in general, Mr. Chairman. But I can supplement it on any particular point, and I would be glad to do so.

By Mr. Stick:

Q. There are reports lately that the United Kingdom and other European countries might revalue their currencies in an upward direction. How would it affect your estimates if that should happen? Would you have to revise your estimates upward in a case like that? Would it cost more to operate?—A. It would cost more, wherever we are operating in the Sterling area, of course. We would probably have to come for supplementaries, depending upon the extent to which such revaluation was accomplished.

Q. It seems to me that there is a desire to do that over there lately. I take it that it would throw our estimates here out, would it not, if that should happen?—A. Any revaluing upwards in foreign currency, where we operate, would throw our estimates out. I think the Polish zloty is a good example.

By Mr. Dickey:

Q. How did we get stuck on that one? I remember the circumstances.—A. The Polish government decided without warning—and warning is not

normally given in such operations—by the finance ministries or the central banks to revalue their zloty. I do not think we held much in the way of balance of zlotys then. But the effect was to raise the cost of our operations in Poland, which already were quite considerable by way of normal payments of salaries and expenditures in that capital.

Mr. COLDWELL: The economic advisers of the European forces this week made a report. I think you must have that in mind, Mr. Stick?

Mr. STICK: Yes.

By Mr. Coldwell:

Q. They suggest that the Sterling area currencies be revalued, I understand, by as much as 15 per cent. That would mean supplementaries, would it not?—A. We would be back before you very quickly.

When the Polish zloty was revalued on October 30, 1950, the new reform was carried out in such a way that prices and wages were recalculated according to the rate of three zlotys in new money equals 100 zlotys in the old.

However, the rate of exchange of the new zloty in relation to foreign currencies was established in accordance with the relation in gold.

I do not know if the committee is interested in the details, but it might be exemplary of the kind of hazards to which we are subject in foreign operations.

At the old rate, \$1 bought 400 old zlotys. But at the rate of 3 new zlotys for 100 old zlotys, \$1 would buy only 12 new zlotys. And that was the rate for adjusting prices and wages.

The bank rate, which was based on the gold relationship, stated that \$1 would buy four new zlotys.

The Polish government for the period October 30 to March 31, 1951, will pay an additional 50 per cent to the sum of zlotys under certain limitations, purchased at the gold relationship rate.

This means that for the period mentioned \$1 buys six new zlotys. Therefore, from October 30, 1950 to March 31, 1951, the costs will have doubled. From April 1, 1951 \$1 only buys four zlotys which will mean that the costs will be trebled.

Mr. STICK: How many men have we got in Poland?

The WITNESS: We have a legation which is in charge of a chargé d'affaires, a second diplomatic officer, and a subordinate staff of three or four.

Mr. CROLL: Do they report what the black market rate is?

The WITNESS: They certainly did at that time. We have information on it, but of course it is not possible for governments to operate on the black market.

Mr. GOODE: You mentioned blocked currencies in foreign lands. What was the total of them? Would it be possible for you to tell us?

The WITNESS: I could get that figure for you but I have not got it under my hand.

Mr. FRASER: Would it not be well to go over this item by item, Mr. Chairman?

Mr. CHAIRMAN: Yes.

Mr. FRASER: Instead of racing from one thing to another.

The CHAIRMAN: There may be a few questions you will want to ask Mr. Heeney on his statement. Shall item 84 carry?

Carried.

Item 85, "Passport office administration".

Mr. FRASER: Wait a minute. In "Departmental administration" has there been any increase in staff?

The WITNESS: There has been a decrease. I think the minister pointed out in his opening statement, Mr. Fraser, that there had been a decrease in the staff, as compared with the report of last year.

By Mr. Fraser:

Q. And the increase in 1951-52 would be on account of the increase in salaries?—A. The increase in the estimates?

Q. Yes, the increase in the estimates?—A. I explained that in my statement. I said there had been an increase in salary which had been more than overcome by other savings that we were able to accomplish. You might be interested, or the committee might be interested, in the number of employees in the department at this date, or at May 1, which is the nearest I have. The total is 1,311.

Mr. COLDWELL: What do you mean by in the department?

The WITNESS: At home and abroad, employees of all kinds. That includes locally engaged staff at various posts abroad as well as persons who are employed in the normal civil service way.

By Mr. Stick:

Q. What is the decrease in the staff?—A. At November 1, 1950, the total was 1,361, so that the decrease in that period is exactly 50. I am informed that the decrease now is something just under 100.

Q. What is that decrease comprised of? What is the decrease? Is it here, at home, or abroad, or generally?—A. It is general throughout the department, both at home and abroad.

Q. You have less staff now?—A. We have less staff now than when I met the committee last year.

Q. Does that mean there is more work being done by the present staff?—A. Perhaps I can put it this way: There is more work being done and there are fewer people in the department.

By Mr. Coldwell:

Q. Have you curtailed some activities?—A. I do not think that we have curtailed substantially any of the activities. There has been a decrease as Mr. Benidickson mentioned, in the number of publications which have been put out and there have been marginal reductions in some activities but also very considerable increases in other activities.

Q. Nothing that would interfere with the efficiency of the department?—A. I think not. Mr. Chairman, I am reminded that those of us who have the responsibility are at the moment having to consider the imminence of having to ask for additions; although we have been able to accomplish some decrease in accordance with the government's desire to reduce the number of employees throughout the government service generally, we have been able to accomplish a certain decrease but within recent months the amount of pressure upon the department has increased and we would expect that before long we will have to go before the Civil Service Commission and the Treasury Board and ask for authorization to increase our officer strength, and when you increase your officer strength you have to ask for some additions in subordinate staff. I do not think these additions will be large.

Mr. BENIDICKSON: Would that be reflected in estimates before us or only in next year's estimates?

The WITNESS: Yes, that would mean supplementary estimates. May I just explain that in part to the committee? When I speak of increases within recent months, and after these decreases in staff were accomplished I need only give

you two examples to indicate to the committee these conditions. The development of the North Atlantic treaty organization has made an enormous increase—well, enormous is perhaps extreme—a considerable increase in the work of certain divisions of the department. As the organization which Mr. Pearson was referring to at one of the committee's recent meetings has developed, so the amount of work to be done by the department or by the divisions of the department who have to do with that organization has also increased. The development of technical assistance work under the Columbo plan of the United Nations that has imposed an additional burden on the officers of the department who are concerned with these things. I would not wish to give the impression we would like to go before the commission and the Treasury Board for large increases but there will, if I judge correctly, be some increases which will be desirable.

Mr. CROLL: Getting back to the talk of increases and decreases of people in your department. What sort of people would you let out of your department when you talk of decreases? Give me an example of what sort of man or woman you would let out?

Mr. STICK: Of those fifty, you let out.

The WITNESS: The first people to go in any of these squeezings down are, of course, to be found amongst the temporary employees, not amongst the permanents; and where one stenographer, for example, can be made to do for two officers, where previously she had served one, that is the kind of situation which we try to develop.

By Mr. Croll:

Q. Would that fifty consist of stenographers?—A. No, but it would include stenographers, clerical staff, messengers, generally known as subordinate staff.

Q. Will you now be hiring the same sort of people you let out some time ago?—A. We may have to hire some of these. Our first request will be for additions to officer strength and that will entail, inevitably, having to hire some of the staff we had to let go.

Q. What I was getting at is that your department ought to resist some of this precipitate letting out of people whom you may reasonably require in the future because of the special training they receive in your department. It is all very well to let out the cleaners or a chauffeur but it is a little difficult to let people out of your department when three months later you have to go looking for them again. I think I gather that this desire to reduce the staff—

Mr. STICK: —can be carried too far.

Mr. CROLL: Your attempt to co-operate, I think, did not do the department much good.

Mr. BENEDICKSON: It was government policy.

Mr. CROLL: Government policy is to let out people who are not needed.

Mr. MURRAY: It is just a normal turnover anyway.

Mr. FRASER: May I ask Mr. Heeney a question: Did quite a number of these people change to other departments?

The WITNESS: Shall I take the first question first?

Mr. CROLL: Yes, take the first question first.

The WITNESS: I am informed that I would be correct in saying that of those who were let out, there were something under 100, the whole would be amongst the subordinate staff, stenographers, clerks, messengers, and classifications of that kind. I think it is equally true to say that we did not let go within that number people who had acquired special skill. Some of these people would have left within a short time in any event; I am informed that,

for example, stenographers, six months from the time they were let go were going to get married or something of that sort. We were able by careful planning to alleviate the shock in this and conserve the efficiency of the department. It will be recalled by the committee that the government some months ago adopted a policy of a six per cent cut in department staff right across the board and as it was—

By Mr. Benidickson:

Q. Was that cut in dollars or in numbers?—A. In personnel, in numbers. As it was our obligation to do, we co-operated with that policy and we were able to accomplish a cut of between sixty and seventy without, I think I can say, any serious loss in special skills.

Q. Has the reduction of 100 in personnel within a period of about a year decreased at all your monthly payroll or have salary increases more than accounted for that?—A. More than taken it up.

By Mr. Coldwell:

Q. Do you know how many left by resignation out of that hundred?—A. I could find that out.

Q. It is a point perhaps I thought you might know.—A. We did attempt, as I say, to anticipate cases where the individuals would be leaving anyway and apart from that we did not let our most valuable people go.

Mr. GOODE: Would it be true to say that when you let these people out you could not anticipate you would need to hire them again so soon? Is that true?

The WITNESS: It was difficult to anticipate and we were subject to this government direction; we had to reduce.

Mr. JUTRAS: What would be your annual turnover? There is bound to be a certain number in each year that for one reason or another leave your employment.

The WITNESS: There is a very considerable turnover in certain grades, particularly the stenographers who insist on getting married.

Mr. GOODE: You mean that the government could not control that as well as the six per cent!

The WITNESS: Over a four year period from January the 1st, 1947, to December 31st, 1950, the figures read this way: There were resignations or separations of 43 officers and 637 administrative staff, a total of 680.

Mr. JUTRAS: That is for four years?

The WITNESS: Yes, from January 1, 1947 to December 31, 1950. That is four years.

Mr. GOODE: Fifty per cent of the total staff?

The WITNESS: Yes, just about.

Mr. RICHARD: How many permanent employees have you got and how many temporary employees have you got in your department?

The WITNESS: At May 1, 1951, the number of permanents in the department were these: Officers, 183; administrative staff, 359; a total of 542. I might go on to develop that if the committee is interested.

Mr. FRASER: Whom do you class as officers.

The WITNESS: May I just conclude this answer and then I think the picture will become clearer. In addition to the 542 whose permanencies have been accomplished, there are six officers and nineteen administrative staff who have been recommended to the Civil Service Commission for permanency. That is a

total of twenty-five who are in the mill. If our recommendations for the twenty-five are accepted our total permanencies will be 567. We are entitled to have eighty-five per cent of our total staff permanent, calculated at the strength we had at September 30, 1949; that would permit us a total of 769. We would be entitled to have 202 more permanencies added to the 567 that we now have or that are in the mill. Of this figure of 202, 156 are not qualified to be permanent so they go out at once. You withdraw your 156 from 202, that gives 46, and these are under consideration and may or may not be recommended according to their merit and their standing in the department.

Mr. RICHARD: I would like to know the exact number of temporaries. Is that 202?

A. The number of temporaries? The difference between 567 and 922. That is a total of 355.

By Mr. Coldwell:

Q. That will not give you a total of 1,300; you are just talking about local staff now?—A. You subtract from your total of 1,311 the locally engaged staff who are not entitled to permanency; that gives you 922.

Q. And these may be chauffeurs and that kind of employees?

Mr. GOODE: Mr. Heeney, here is a point that you could answer or maybe one of your associates could answer: When you hire a new employee in a department such as yours, how are you assured of hiring the right type of people, I mean apart from going through the Civil Service? I think you understand what I mean. There is a certain amount of work which I assume should not be known outside. How do you get the right type of employee? Let me illustrate: You might get an enemy agent as an employee in your department. How do you guard against that?

Mr. MURRAY: Have him recommended by a member of parliament.

By Mr. Goode:

Q. That is so, but I want it on the record.—A. I take it that the question relates to the matter of security and not to other qualifications.

Q. Yes, I wanted you to put it on the record so as to be sure.—A. Every employee of the department before being employed must have received a clearance in respect of security.

The CHAIRMAN: Mr. Fraser, you asked a question a few moments ago. Was your question answered?

Mr. FRASER: Yes, Mr. Heeney answered it.

The CHAIRMAN: Shall item 84 carry?

Mr. GREEN: What changes are included in this list of "other publications"?

The WITNESS: In that \$14,500 item in vote 84, the volume known as Canada and the United Nations costs \$7500 and accounts for just over half; the annual report of the department costs \$3,500; and the Spanish and Portuguese issue of Canada From Sea to Sea costs \$3,500.

Mr. BENEDICKSON: How many people pay the full subscription for the External Affairs monthly bulletin?

The WITNESS: I think I will have to take that for the next meeting if I may, Mr. Benidickson. As you know the circulation list is partly free and partly paid.

Mr. FRASER: When you are doing that, Mr. Heeney—or perhaps you could say now—does the head office of the United Nations Canadian organization get the External Affairs monthly bulletin at a reduced rate?

The WITNESS: At a reduced rate, sir, yes.

By Mr. Green:

Q. Under what vote do you pay for the speeches which are reprinted and sent out?—A. There is a series known as “statements and speeches” which are mimeographed material made available by the information division under the information vote.

Q. What vote does that come under?—A. It comes under departmental administration.

Mr. DICKEY: Is that the item at the bottom of page 5, “other informational material and supplies?”

The WITNESS: I want to be sure before I answer. I am informed that that comes under “stationery, office supplies,” which is produced within the department itself by a mimeograph or duplicating process.

Mr. GREEN: That is a vote for \$50,000?

The WITNESS: That is right.

Mr. BENIDICKSON: Part of it.

The WITNESS: That is not only for statements and speeches. This covers all paper that is used within the whole department not only in the information division and not only for statements and speeches, but everything else as well.

Mr. GREEN: How widely are these speeches distributed? I think I even got one of yours, Mr. Heeney.

Mr. STICK: Was that not cut down last year?

The WITNESS: Perhaps I will postpone the answer to that until the figures are turned up and we will go on with another question now.

By Mr. Fraser:

Q. Can you tell us what publications you put out? There is the External Affairs Monthly Bulletin, and have you still the air mail bulletins?—A. Yes, we have.

Q. And what other bulletins have you that are published?—A. I might make a general statement about publications that are under the auspices of the department.

Q. That is what I would like you to do. —A. Of the printed publications there is the annual report of the department; there is a bulletin called External Affairs which is a monthly; there is Canada and the United Nations, which is an annual; there are white papers from time to time—like that on Korea which was mentioned at another meeting; there is the publication Canada from Sea to Sea.

Mr. GREEN: There is no vote for that this year.

The WITNESS: No. We apparently have a supply on hand which is sufficient or estimated to be sufficient to meet our purposes this current year.

Then there are the multilithed publications; the daily air mail bulletin which goes to missions abroad; the weekly bulletin; the weekly survey of Canadian editorial opinion; statements and speeches, which Mr. Green has referred to; and reference papers, reprints and fact sheets.

Statements and Speeches make available in multilithed form texts of important statements on Canadian external policy and related subjects. Occasionally, statements dealing with subjects of general interest such as transportation and development of natural resources are included in the series; since these relate to domestic affairs, they are distributed outside Canada only. Of the 52 texts published in this series during 1950, 36 were distributed in Canada. When official texts are available in both languages both versions are published; otherwise, with a few exceptions, the text is issued in the language in which it was delivered.

Circulation—Within Canada, only statements and speeches on international affairs and related subjects are distributed. The various people and groups mentioned in the table below are on the mailing list to receive all such statements and speeches.

Abroad, statements and speeches dealing with subjects of general Canadian interest are circulated, in addition to statements and speeches on Canadian external policy.

By Mr. Green:

Q. What is the circulation?—A. 1,492 was the total in the last fiscal year.

Q. That is each speech goes out to 1,490 people?—A. 1,492.

Mr. BENEDICKSON: They are not just printed—they are mailed.

The WITNESS: This is a mailing list which is constantly under review. We send tracers out to see if people are still interested in getting them.

Mr. GREEN: I think there could be a little saving there. Some of these publications go out and I know there have been quite a few sent out during the last year. I doubt very much whether it is necessary.

Mr. BENEDICKSON: I know that I myself was asked by way of a card whether I wanted to receive it. I imagine if Mr. Green did not want it he could say so.

Mr. GREEN: It is not a question of whether I want it, it is a question of whether it is a waste of money.

Mr. CROLL: No, no, not those speeches.

Mr. MURRAY: It is a question of how the speeches are handled. Some of them could be given in full and others could be abbreviated.

Mr. GOODE: Can Mr. Green say where some of those speeches are going now and where he thinks they should not go?

Mr. GREEN: I do not think that every time the minister makes a speech it should be sent out.

The WITNESS: It is not, Mr. Chairman.

The CHAIRMAN: I have study groups in my constituency and they complain that they are not able to get enough of the speeches in which problems were raised. They were having difficulty in obtaining them from your department. I have eight study groups and if that is applied throughout the whole of Canada there would be a shortage of those publications.

Mr. MURRAY: My experience with Canada and the United Nations is that I can obtain it only in the Department of External Affairs. I sought several copies for students and they helped me out in the department but those volumes were not available.

The WITNESS: The King's Printer is a source of supply.

Mr. MURRAY: Yes, but he is a very obscure individual and I think they ought to be on every news stand and every book shop at reduced prices so that students would be able to obtain them—students and others who would be then informed of the work of the department in relation to the United Nations.

The CHAIRMAN: Will Mr. Green enlarge on the point? The number issued is 1,492.

Mr. GREEN: I am not going on the distribution, but how many of the minister's speeches were sent out last year?

The WITNESS: There would be more of the Minister of External Affairs speeches than other speeches. I think the committee might be interested in the

cost. The total cost of Statements and Speeches series is \$5,070 and of that approximately half is mailing.

By Mr. Croll:

Q. What do you mean "mailing"? You do not pay postage? What do you mean?—A. Mailing to our posts abroad.

Q. Out of that 1,500 how many of them stay in Canada?—A. 758—about half go abroad and half stay in Canada.

Q. I should not think you have even scratched the surface?—A. Half the distribution is abroad and half in Canada.

Mr. JUTRAS: Do you mean that is the only distribution you have in Canada?

The WITNESS: That is right—758.

By Mr. Croll:

Q. And on that list there would be every member of parliament and every senator?—A. Members and senators were circulated and asked if they wished to receive them. Those who asked get them, and those who did not do not get them.

Q. Have you any idea how large a proportion of members and senators get them? 250, 350, or how many?—A. Four per cent of the total go to members of parliament and senators—that is the arithmetical calculation.

Mr. MURRAY: I think the Canadian people are woefully lacking in information regarding the work of Canada and the United Nations.

Mr. LOW: Perhaps if they were put out in the form of comic books they would be read.

Mr. RICHARD: We banned them.

Mr. MURPHY: I think there should be more serious effort in Canada, particularly at the universities and public groups and organizations—certainly among the public schools.

Mr. GREEN: Your External Affairs Monthly Bulletin contains some of the statements.

Mr. COLDWELL: I think the United Nations society is doing the best job for the schools.

Mr. MURRAY: So much of this material is so dull—it is like the B.N.A. Act. It is important but—

Mr. CROLL: The B.N.A. Act is not dull.

Mr. MURRAY: Money could be very easily spent on prizes and scholarships around among the universities.

Mr. GREEN: The Monthly Bulletin contains summaries of those speeches.

The WITNESS: It contains excerpts and in some cases summaries of certain speeches. The Information Division is responsible for both publications—that is *External Affairs* and *Statements and Speeches*—so unnecessary duplication is avoided. In some cases the *Bulletin* (External Affairs) carries only a portion or a summary. There is also a demand for full texts and it is to meet this demand that *Statements and Speeches* is multilithed in the department.

Mr. COLDWELL: Mr. Vishinsky and Mr. Molotov's speeches are published more in this country than those of people from our own External Affairs department.

Mr. MURRAY: I will agree with you there.

Mr. COLDWELL: You run across them in all sorts of places.

Mr. MURRAY: May I draw attention to page 4, just following what Mr. Coldwell has said about publicity for Vishinsky and others in Canada. I see

there is an item "press news" \$3,550. That seems to be a very trifling sum to be spent on stimulating interest of the press.

Mr. STICK: They do not want any stimulation of the press.

The CHAIRMAN: Are we through with the question asked by Mr. Green? Are you satisfied with the answer, Mr. Green?

Mr. GREEN: I wonder if Mr. Heeney would give us a list of the speeches which were circulated?

The WITNESS: I can do that very easily.

I wonder if I was clear in my statement to the committee about the numbers of speeches. I have the information here that there were 52 texts published in this series during 1950 of which 36 were distributed in Canada.

Mr. FRASER: That would be Statements and Speeches?

The WITNESS: Yes, the one series, Statements and Speeches—an average of one a week.

By Mr. Green:

Q. What speeches were they?—A. Well they were by various people. I can obtain a list. I have not got it here but I can quite readily get it.

Q. You can get a list?—A. Yes.

Q. I wish you would do that.

Mr. GOODE: What if they were all the minister's speeches? I think in this case he speaks for Canada.

The CHAIRMAN: I do not think Mr. Green argues against that—that is not the impression I got.

Mr. GOODE: He did argue against it. He said he did not think the minister's speeches should be sent out.

Mr. STICK: I do not think that he said that.

Mr. JUTRAS: There were only 750 of them.

Mr. MURRAY: This \$3,500 odd item for press news is a very opportune item. We had a case where the minister made a speech which has been heard all over the world save in Canada. I think that there ought to be facilities for sending some press man right along with the minister so that Canadian people get a full account of what he has said—and quickly?

The WITNESS: This item, Mr. Chairman, is for press news service coming into the department—ticker service of the Canadian Press.

Mr. FRASER: That would be clipping service?

The WITNESS: No, ticker service.

Mr. MURRAY: I beg your pardon, it is deceiving.

Mr. CROLL: While we are at it, Mr. Heeney, Mr. Coldwell and Mr. Low, and other members of the committee, and the *New York Times*, thought a great deal of Mr. Pearson's speech made over the weekend. Now how did the Canadian papers get so little of it? I saw a bit, a quarter column in the *Globe and Mail*, but I saw nothing in the local paper.

Mr. Low: Just a little note.

Mr. MURRAY: There was not time perhaps.

Mr. CROLL: This was over the weekend. The speech was made Saturday night.

The WITNESS: Yes, on Saturday night.

Mr. CROLL: It could have been in early Monday morning. Now how did our press people miss the boat on it so completely?

The WITNESS: I cannot of course speak for those receiving the text but we did develop, in the department over the last year a press office. The

officer in charge of that, Mr. Anderson, has as one of his principal duties to see that texts of statements of this character are made available to journalists.

The WITNESS: An attempt is made to have these texts available as soon as possible—if possible in advance of them being released. I cannot speak from personal experience about what happened in this particular case but I can find out. One of the functions of the press office is to provide texts to the Canadian service.

Mr. COLDWELL: It would be handed as a release to press gallery here?

The WITNESS: Yes.

Mr. COLDWELL: The strange thing is that it was an extended report on the front page of the New York Times.

Mr. CROLL: Our local papers carried it under an American headline.

Mr. COLDWELL: Well they would do that from New York.

Mr. Low: It was under a United Nations date line.

Mr. CROLL: But they carried a cut-up portion of it—they have dissected it.

Mr. DICKEY: Perhaps the explanation in part may be this, and perhaps members of the committee generally do not know it. The Canadian Press have no representative at the United Nations. He was withdrawn I think, and perhaps Mr. Heeny can correct me on this, some eight months ago.

Mr. CROLL: When they started to unionize.

Mr. COLDWELL: The department here in Ottawa surely hands texts of the speeches to the reporters in the gallery even if the speech is to be delivered at Lake Success?

Mr. DICKEY: I quite agree with Mr. Coldwell but I think the general tendency is that an item like that which comes direct to a paper on the Canadian Press wire gets very much more attention than it does as a handout to the local reporters?

The WITNESS: I am informed that the text was available in New York from the United Nations service and also in Ottawa.

Mr. GREEN: Is not that a matter for the papers? They are in the business of publishing news and they may decide what is news and what to publish. Now if there is a statement to be made on behalf of Canada while the House is sitting I think that it should be made in the House, and I do not think that this committee should be worrying about seeing that speeches made by the minister get proper publicity in Canada. Surely that is not our function.

Mr. DICKEY: Perhaps they agree with Mr. Green that the minister's statements are not worthy of publicizing anyway?

Mr. GREEN: No, but you are worried because the Canadian papers are not publishing more of Mr. Pearson's speeches.

Mr. STICK: That is up to the papers themselves.

Mr. CROLL: Mr. Chairman I think it is our function to see that Canadians are kept informed on international affairs. This arose as a result of an expenditure and we want to know why the Canadian public has not been informed. The House of Commons was not sitting on Saturday night and consequently Mr. Pearson could not make the statement there so that Mr. Green could hear it in the House of Commons. Mr. Pearson was at the United Nations as our representative and in that course made a speech which was of some importance or considered to be of importance. Now, why did it not get publicity in Canada?

The explanation may be, as Mr. Green says, that Canadians did not appreciate the news value of the story—that may be. We are satisfied, in any event, that it was well covered here and that the releases were handed out. Mr. Heeny assures us on that.

Mr. FRASER: May I ask a question? Was it a record made here and given at the United Nations, or was it given from the United Nations?

Mr. CROLL: Reuters News Agency sent it out from New York.

The WITNESS: It was broadcast from New York as one of the United Nations series. I believe it was done by a recording and it was released in New York from whence the voice was broadcast. The text was made available here as a matter of convenience to the press gallery.

Mr. Low: I saw it in the Citizen.

Mr. GOODE: I heard it over the radio on this United Nations program, whatever you call it.

The WITNESS: The Price of Peace series.

Mr. GOODE: It could be. They said it was the last one this year, and I heard it on a local station.

Mr. FRASER: I think it has been given enough publicity now and we should go on.

Mr. MURRAY: I would like to say this before the matter is concluded. This is an example of not giving proper publicity to this effort in the United Nations and something should be done to encourage the leading newspapermen in the country to accompany the minister when he makes a pronouncement of this kind.

Mr. COLDWELL: I am inclined to agree with Mr. Green's opinion that the statements made while the House is sitting should be made in the House. I have often thought that when I have heard summaries on the news of quite important submissions. I thought they should have been given in the House when the House was sitting.

Mr. CROLL: That only leads you to ask questions in the House.

The WITNESS: On the question of publicity for the work of the United Nations, the principal item there is, of course, the volume to which reference has been made, "Canada and the United Nations, 1949-50" and so on. But apart from that, in the statements and speeches series, and in the monthly departmental bulletin, a good deal of attention is paid to Canada and the United Nations.

So far as the use of that material is concerned, it is made available to the press. That does not come under departmental control, but we do try to make readily available to journalists the text of things in which we think they may be interested, or in which the people of Canada may be interested concerning Canada's part in United Nations' affairs.

Mr. QUELCH: What about the item for "Films, displays, broadcasting, etc. and photographs"? What would those photographs largely be?

Mr. FRASER: That is at the bottom of page 5.

The WITNESS: They would be photographs of general Canadian subjects which we think would be of interest in foreign countries. I might make a short statement about it.

The Acting CHAIRMAN: Are we finished with item 84 yet?

Mr. FRASER: No. We are still on "Administration".

The WITNESS: During 1950 twenty-six photo-features were produced. The titles include "Canadian Opportunities: Mixed Farming" and "Canadian Opportunities: The Dairy Industry," prepared in co-operation with the Department of Citizenship and Immigration and widely published in the countries of western Europe which are the scene of the current campaign to attract immigrants. "Canada Trains North Atlantic Treaty Organization Airmen" was distributed to the North Atlantic Treaty countries. Others were "Canadian Jet Achievement," "A visit to Arvida," and "Christmas in a Canadian Logging Camp." The photo-features had wide general circulation; for example, through one United States syndicate alone, "The World's First Aluminum Bridge" had a

circulation of over 3,000,000; another feature, "Logging on the Gatineau," had over 5,500,000 and "Christmas in a Canadian Logging Camp" over 6,000,000 circulation.

That will just give you an idea.

Mr. QUELCH: Are these pictures made by the National Film Board?

The WITNESS: Yes, but not exclusively by them. Pictures of commercial and private photographers are also used.

Mr. LOW: Is there any revenue which accrues from these pictures?

The WITNESS: I do not think there is any revenue. I can get that information for you.

Mr. QUELCH: Are these pictures made available to schools in Canada?

The WITNESS: Not as a general thing, but upon request.

Mr. COLDWELL: The National Film Board pictures would be, would they not?

The WITNESS: Yes, they are made available through their own distribution.

Mr. QUELCH: There are no broadcasts under this item, are there?

The WITNESS: No, sir.

By Mr. Fraser:

Q. Under telephones I see there is an estimate of \$8,000; while for the year 1950-51 it was only \$4,008.—A. The estimate was \$10,000, but the expenditure was only \$4,000.

Q. Yes, double.—A. No. The estimate last year was \$10,000. But we are asking this year for only \$8,000.

Mr. GREEN: How much was spent?

Mr. FRASER: The estimated expenditure is \$4,008.

The WITNESS: Yes. We will have spent, when the books are closed, approximately \$4,008, which is some \$6,000 less than we thought we were going to need.

Mr. GREEN: If you did not talk twice as much.

The WITNESS: Why, you may ask, are we asking for twice as much as we spent last year? I shall have an answer for you.

Mr. COLDWELL: The rates are up.

The WITNESS: I am informed that the rates are up. This is as close an estimate as we have been able to arrive at. I may say there is very little fat on any of these items. If we thought we could get a few dollars off, we would take them because we have plenty of other places for them.

Mr. FRASER: On page 6, under the heading of "Motor vehicles, operation and maintenance" I see there is an estimate for \$2,000. How many trucks have you got in Ottawa in the department?

The WITNESS: In Ottawa?

Mr. FRASER: Yes. Does that cover your trucks and cars here?

The WITNESS: Yes, there are two departmental trucks which are operated in Ottawa.

Mr. FRASER: And that would be only for gasoline and repairs?

The WITNESS: Yes, maintenance, generally; repairs and replacement parts, oil and gasoline.

Mr. FRASER: What about the item "Tuition fees"?

Mr. STICK: That seems to be very little.

Mr. FRASER: It seems to be a very small amount for two trucks.

The WITNESS: Do you mean for trucks or for tuition?

Mr. FRASER: The \$1,500 for tuition fees. What is that for?

The WITNESS: This amount is set aside to provide for classes for those who are proceeding abroad. In certain cases we pay for their tuition in a foreign language.

Mr. FRASER: That would be money well spent, then.

Mr. STICK: So was the gasoline.

The CHAIRMAN: Shall the item carry?

Carried.

Item 85 "Passport office administration"? Shall the item carry?

By Mr. Fraser:

Q. How many passports were issued last year? Would you have that figure here?—A. Oh, yes.

Q. And also the renewals of them?—A. Yes. In 1950 there were 64,464 passports issued.

Q. How many renewals?—A. 175. Would you like the comparative figures for last year, the preceding year?

Q. Yes.—A. 64,933 passports were issued and there were 134 renewals.

Q. What were the receipts last year?—A. Cash receipts in 1949 amounted to \$317,607.69.

Q. That was for 1949.—A. And in 1950 they amounted to \$325,397.89.

Q. And in 1951?—A. I have not got 1951 yet.

Mr. STICK: 1951 is not over yet.

By Mr. Fraser:

Q. With respect to passports for people whom you know to be communists, has the department ever thought of not including all countries on their passports, as they did during the war, for practically everyone?—A. I think it is the intention of the minister to say something on this subject at the next meeting which he attends. I think if the committee will give me leave, that subject might be left for the minister.

Mr. LOW: Under what item would one find the cost of passport printing?

Mr. STICK: And who gets it?

The WITNESS: The cost has risen for the preparation and printing of passports. I could get the figures for you.

Mr. LOW: I was interested in this because it appears that the passport office is a revenue producing office, unless we take into consideration the printing costs and so on.

The WITNESS: Yes, it is a net producer of revenue. The total cost of printing passports and certificates of identity was \$32,100.

Mr. LOW: It is quite clear then that it is a revenue producing office.

The WITNESS: Yes, and even taking into account the salaries, it still would be net producing.

Mr. CROLL: It should be.

Mr. FRASER: I have not been over to the passport office this year, but I wonder if there has been any improvement in the entry? Has it been cleared up yet?

The WITNESS: Yes, it has. The passport office accommodation is a great deal better than it was.

Mr. BENIDICKSON: I can confirm that it is a much pleasanter office, and I can say that few departments of government are more anxious to uphold the prestige of members of parliament before their constituents than that office.

If you take a constituent's problem to them, they see that the constituent is treated with the utmost care, and they see that credit is given to the member of

parliament. We all know that is something which is appreciated by our constituents, and it is something which helps to keep us in good standing with them. I just want to say that.

Mr. FRASER: Yes, and I can confirm it. But I wondered about the entrance way because of the garbage cans which used to be piled up there.

The WITNESS: I would like to say that the officers and members of the staff of the passport office do a good job, and they do it very efficiently.

Mr. LEGER: I would like to ask Mr. Heeney if it is not so that the passport does not admit one to any country?

The WITNESS: That is correct.

Mr. LEGER: Rather it is the visa on it which does that?

The WITNESS: That is correct.

Mr. LEGER: And the visa is obtained from the country which you wish to enter?

The WITNESS: That is correct.

Mr. Low: May I ask if the German people have a consular officer in Ottawa?

The WITNESS: Yes, sir. Recently a German Consul was received in Canada and he is now located here.

Mr. Low: Is he authorized to issue visas, or "to visa" passports in this country?

The WITNESS: Yes, sir. The west German Republic recently, by means of an agreement with the High Commission of the occupying powers, got the authority to perform consular duties in certain countries, of which Canada is one.

Mr. Low: Have you got his name there?

The WITNESS: Yes. It is Dr. Werner Dankwort.

Mr. COLDWELL: When did he come? Was it last November?

The WITNESS: It was just before then, I think, in the early autumn.

The CHAIRMAN: Shall item 85 carry?

Carried.

Item 86 "Representation abroad". Shall the item carry?

Mr. JUTRAS: With respect to item 86, Mr. Chairman, I would like to get the picture of what function the Department of External Affairs performs to help along immigration in Europe. What function are you called upon to perform in regard to immigration as compared with the other departments which assist immigration?

The WITNESS: In many posts in Europe—and I take it Europe is what you have in mind particularly?

Mr. JUTRAS: Yes.

The WITNESS: There are special immigration officers. And as you may know, in some cases, they are accommodated within the chancery premises; while in other cases, those offices are separated from the chanceries.

Mr. JUTRAS: Take France, for instance?

The WITNESS: In France, in the Place d'Opera there is a special immigration office.

So far as the ambassador, minister and diplomatic staff are concerned, they are under normal obligation to assist the immigration officers to the best of their capacity and ability; and the immigration officers, just as the officers of other departments in foreign countries, are subject to the general supervision of the head of the diplomatic mission, who has that general responsibility, under

normal government policy. That is to say, immigration offices may be situated in the capital or perhaps, as in many cases, in another city of that country.

Nevertheless these officers come under the general supervision of the ambassador and he is responsible for their general guidance.

In many posts there are not special immigration officers and in those cases the normal diplomatic officers who are at that post perform the immigration functions.

MR. COLDWELL: They go to no end of trouble to help people who are in, let us say, Poland or Yugoslavia to get a place where they can receive clearance from the immigration officers and so on.

MR. JUTRAS: Would the immigration officers in Paris come under the Department of External Affairs or the Department of Citizenship and Immigration?

THE WITNESS: They report directly to their department which is Citizenship and Immigration; but they are subject to the general supervision which every diplomatic head of a mission exercises over all Canadian officers within the country to which he is accredited.

MR. JUTRAS: Would these men be under the Department of Citizenship and Immigration?

THE WITNESS: Yes. They are officers of the Department of Citizenship and Immigration.

MR. JUTRAS: Are there not some who are under the Immigration Branch?

THE WITNESS: That would be the same department.

MR. CROLL: That is the same thing in Paris and every place there. That is right.

THE WITNESS: They are officers of the Department of Citizenship and Immigration. Nevertheless, as I was saying, the head of the diplomatic mission as such has general supervisory authority over them. It is his responsibility.

MR. MURRAY: I see that you have a representative in Red China.

THE WITNESS: We did when this report was prepared. But he left Nanking some time ago. However, we still have a Consul General in Shanghai.

MR. MURRAY: Does he proceed in camera?

THE WITNESS: I am not sure that that is quite the right word; but I can say that he is able to perform his functions.

MR. MURRAY: Are we not supposed to be at war with them?

THE WITNESS: No.

MR. MURRAY: To stop aggression?

MR. STICK: Not officially.

MR. MURRAY: Who is in Shanghai?

THE WITNESS: Dr. George Patterson.

MR. MURRAY: Do you receive regular reports from him?

THE WITNESS: There is some difficulty with communications, but we do receive reports from him. They may not be regular, but they are frequent.

MR. MURRAY: Are they for publication?

THE WITNESS: No sir, not really.

THE CHAIRMAN: Shall the item carry?

MR. BENEDICKSON: Last year the Under Secretary said that he personally had not been able to visit very many of the headquarters of Canada abroad because of pressure of events in the department at home. I wonder if he has been able to visit some of our missions and embassies since he last appeared before this committee?

The WITNESS: I was able to make an inspection of the missions in western Europe last spring. I don't recall whether it was before or after I appeared before this committee. I have not been able to visit other parts of the world although the minister has seen a good many of them in the Far East. However, I was able to cover twelve offices in western Europe.

Mr. RICHARD: Do we own our own buildings in Paris?

The WITNESS: We recently acquired a residence, but we rent our chancery there.

Mr. CROLL: Where is that residence?

The WITNESS: It is on Faubourg St. Honore.

Mr. COLDWELL: Are you not buying another residence somewhere with this blocked currency?

Mr. STICK: There is one in Holland, is there not?

The WITNESS: There is a property we purchased in Paris. We had our eyes on it for some time.

Mr. FRASER: That would be for the \$505,000, would it not?

The WITNESS: That is included. The payments to be made in this fiscal year are included in the \$505,000.

The CHAIRMAN: Shall the item carry?

Carried.

Shall item 87 "Representation abroad" carry?

Carried.

Shall item 88 "Representation abroad" carry?

Mr. STICK: One moment, Mr. Chairman.

The WITNESS: We have two or three other possibilities for purchase from blocked sums.

Mr. STICK: You had one in Holland last year, did you not say?

The WITNESS: Yes. We are in the position of having to acquire a new chancery in The Hague, and that can be done from our guilders.

Mr. STICK: It is not purchased yet is it?

Mr. FRASER: \$197,000?

The WITNESS: \$190,000 of that would be the price of the property.

By Mr. Stick:

Q. It is not purchased yet, not finalized?—A. No, not yet.

Q. Then you had \$23,500 in Denmark?—A. That was mainly for furnishing our residence and chancery in Copenhagen.

By Mr. Richard:

Q. Coming back to France, has your lease expired or about to expire on the chancery?—A. We are on a hand to mouth basis on Avenue Foch. We can carry on there for some time yet. It is not very satisfactory, but it is exceedingly difficult to get a building suitable for office purposes in Paris.

Q. Have you been doing anything about it?—A. Yes, exploring actively but we are still on Avenue Foch.

By Mr. Coldwell:

Q. I thought you had a place in view there.—A. Just a residence.

Q. That is the place I have been told has some beautiful furniture. Did you buy that?—A. No, we did not buy the furniture. It went with the vendor. The price was too high.

Q. I understand it was really a pity to take that furniture out of that building?—A. Yes, they were really museum pieces.

The CHAIRMAN: Shall the item carry?

Carried.

Shall we continue, gentlemen? It is a quarter to ten o'clock?

Mr. STICK: We should adjourn, I believe; we have done very well up to now.

Some Hon. MEMBERS: Let us continue until ten o'clock.

The CHAIRMAN: Item 89—to provide for official hospitality.

Shall the item carry?

Carried.

Item 90—to provide for relief of distressed Canadian citizens and for the reimbursement of the United Kingdom for relief expenditures incurred by its diplomatic and consular posts on Canadian account.

By Mr. Low:

Q. On item 90. What is the increase, on an actual basis of expenditure, over last year?—A. Which one?

Q. For relief of Canadian distressed citizens abroad.—A. The same amount is being asked this year although we did not spend it all last year. It is very difficult to tell what you are going to need for this purpose and we do not think anything less than \$15,000 would be sufficient. We spent \$9,738 last year.

Q. What did you recover?—A. The recoveries that is to say, refunds credited to the vote, 1950-51, to March 31, \$6,989.41.

Q. That sounds better.—A. And in addition to those refunds we got some dribblets in from former years. The dribblets in 1950-51 were \$803.51, so that our total intake as it were in the last fiscal year was \$7,800 approximately, something better than half.

Q. That is very good.

The CHAIRMAN: Shall the item carry?

Carried.

Item 91.

By Mr. Stick:

Q. I have a question on item 91. In our representation, Mr. Chairman, for instance, at the United Nations last year we had representatives from Canada and then we had a new departure with observers from different opposition groups.—A. Parliamentary advisers, I think they were called.

Q. How does that work out? How are they paid? Would you break that down and give me a picture of that? Who is paid and who is not paid and how are expenses accounted for?—A. No one is paid, Mr. Chairman, apart from the departmental officials.

Q. What about parliamentary representation?—A. Parliamentary representation, they receive their expenses.

Q. I beg your pardon. I cannot hear you.—A. I understood the question was, who are paid on delegations?

Q. What happens there? There are certain expenses that have to be incurred?—A. Parliamentary advisers receive their expenses.

Q. How much?—A. They are paid actual out of pocket expenses.

Mr. LESAGE: They receive a maximum of \$7 a day.

Mr. Low: The maximum is \$7 a day in New York for meals.

Mr. STICK: Well, that is a situation which in my opinion is a disgrace to Canada. Here we are sending parliamentarians to places like that, and on the

amount you have quoted me, or that Mr. Low has quoted me, I would say you cannot keep up your proper representation of this country. I think there should be something done about it. To ask parliamentarians to represent us at another place and be out of pocket when they are representing Canada is something to think about. If one cannot take his place properly without being out of pocket, I think it is a disgrace. The days when representation in Parliament was based on the fact that the only people who could go were people who could afford to go, have been dead twenty-five years, and yet this is a sample of what has been going on. These people are working for Canada. They should get an honorarium or something corresponding to the position they occupy. I think we are wrong on this.

Mr. MURRAY: I would say, Mr. Chairman, it would be a very good policy if it could be arranged for all members of this House of Commons to visit the United Nations sometime or other during the session. If I might just add a word, it is a very dramatic picture. I have been there as a private citizen and I must say it is a thrilling thing to see all these representatives from all the nations struggling there to do some great work.

The CHAIRMAN: Hear, hear.

Mr. MURRAY: We cannot support their efforts well here unless we see the United Nations in operation. It would cost very little even individually to hire a bus and go down there and see the United Nations in operation.

Mr. BENIDICKSON: During the last parliament such members of this committee as chose to go did go on a visit to the United Nations through arrangements made by our chairman, and I was one of those who did choose to go, and anybody on the committee could have gone. Some were not able to go but I certainly can say that my understanding of the scope and the importance of the United Nations was tremendously enlarged as a result of what I could see with my own eyes.

Mr. LEGER: You had to pay your own expenses?

Mr. BENIDICKSON: We had our passes to the border.

The CHAIRMAN: It was quite an experience. As chairman of the committee at the time I knew it would be impossible to have such an undertaking passed by parliament, and rightly so, that we should go as a body to see the United Nations. It was put up to our committee and we decided that those who could afford to go could go and as Mr. Murray said, it was a marvellous experience and Mr. Benidickson and others who went will bear me out. We had to go at our own expense; it was the only way we could have gone. As chairman, I was against it from the start but I was almost put in the position that I would have to resign unless somebody went at the time. It was a trip well worth while. We were wonderfully received by Mr. Lie and his assistants and Mr. Pearson who was then head of the Canadian delegation to the United Nations, and all doors were wide open to every one of us.

Mr. BENIDICKSON: I was there last Easter and saw the new building and I can testify that having been at Lake Success one gets an entirely new impression now that they are installed in the new offices. One can see the plans for the completion of the assembly rooms.

Mr. FRASER: I do not think it would be fair to overlook the work done by our secretary on our visit in New York. Our secretary made a good job of it.

Mr. BENIDICKSON: He performed his duties exceedingly well.

Mr. STICK: That is somewhat different from what I am talking about, Mr. Chairman. I am speaking of representation from parliament, not trips to the United Nations.

The CHAIRMAN: My own personal conviction is this, that the delegates and alternates to the United Nations should be allowed a reasonable per diem allowance. I believe that would be the best way to deal with that situation.

Mr. BENIDICKSON: Can we make a recommendation?

The CHAIRMAN: No.

Mr. COLDWELL: One difficulty in that is that parliamentarians can only receive their out of pocket expenses otherwise they come within the statute, and I think that is the reason why the government asks the representatives who go there, alternates and advisers and so on, to keep an account of their expenses, meals and everything else, not to exceed \$7 a day.

Mr. STICK: You are representing Canada there. You are meeting people from other countries. You are invited out by them and you have to return the compliment.

Mr. COLDWELL: You do not do it on that.

Mr. JUTRAS: I do not think the per diem would be contrary to statute because that is a per diem expense allowance.

Mr. COLDWELL: You do not think so? I am not sure on that.

Mr. MURRAY: Mr. Chairman, do you not think that Canada's position now with regard to the United Nations is that we may save it from collapsing?

The CHAIRMAN: May save what?

Mr. MURRAY: May make or break it today, with respect to public opinion, in connection with the United Nations. It will depend on the enthusiasm of the Canadian people to give leadership to the United States and other nations.

The CHAIRMAN: I can say from my own experience that we met a lot of Canadian people and we were wonderfully well received there. The Canadian people are highly interested in the activities of the United Nations, there is no doubt about that.

Mr. STICK: Mr. Chairman, the prestige of Canada is at stake in this way. When you are dealing in an organization like the United Nations and are niggardly I think such conduct is too small for a country like this, and I think something should be done about it.

Mr. COLDWELL: When you are there as a parliamentary adviser you have not the responsibilities that the delegates and alternates have, and I am quite sure from my own experience as a delegate at two former conferences that judging from the manner in which the members are reimbursed for their out of pocket expenses they must pay a considerable amount out of their own pocket if they do any entertaining of the people they meet in the lounge and other places. They must be considerably out of pocket. There is no question of that. I know that the last time I was there as an adviser I had not the same responsibility as the delegates and I was not quite as pressed, but I am quite sure that people who are sitting around this table must have been considerably out of pocket apart altogether from the loss of their professional fees while they were there.

Mr. BENIDICKSON: Mr. Chairman, the present parliamentary assistant to the minister served as delegate at the last general assembly and attended at personal cost and sacrifice. I am sure he will convey our views on this matter to the minister.

Mr. STICK: Cannot we make a recommendation?

The CHAIRMAN: I would not be in favour of making a recommendation of this kind but I believe that the statements made this evening and the experiences that the parliamentary assistant had himself last fall will receive consideration by the department.

Mr. STICK: All right, I am satisfied.

The CHAIRMAN: Shall item 91 carry?

Carried.

Item 92?

Mr. Low: I move that we adjourn.

The CHAIRMAN: I want to thank Mr. Heeney for the complete information he gave us. Now I would like to know your views about our next meetings. The minister will be with us on Wednesday, and Friday. We are glad to see Mr. Lesage, the parliamentary assistant here now, he was engaged elsewhere. Will it be possible to have a meeting on Wednesday at four o'clock?

Agreed.

Mr. STICK: Are we still on this item 91?

The CHAIRMAN: We are on item 92. Thank you gentlemen.

*Canada, External Affairs
Standing Committee, 1951*

SESSION 1951

HOUSE OF COMMONS

Government
Publications

Ext Affairs *as LRC*

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

CHAIRMAN—MR. J. A. BRADETTE

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

WEDNESDAY, MAY 30, 1951

ITEM 84—

Main Estimates of the Department of External Affairs—Departmental
Administration.

The Honourable LESTER B. PEARSON

OTTAWA
EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1951

MINUTES OF PROCEEDINGS

WEDNESDAY, May 30, 1951.

The Standing Committee on External Affairs met at 4 o'clock. Mr. J. A. Bradette, Chairman, presided.

Present: Messrs. Benidickson, Bradette, Coldwell, Croll, Decore, Dickey, Fleming, Fraser, Gauthier (*Lac St. Jean*), Goode, Graydon, Higgins, Jutras, Leger, Low, MacInnis, MacKenzie, Macnaughton, Murray (*Cariboo*), Mutch, Picard, Quelch, Robinson, Stick.

In attendance: Honourable Lester B. Pearson, Messrs. H. O. Moran, C. S. A. Ritchie, S. D. Hemsley and F. M. Tovell.

Mr. Bradette welcomed the members of a delegation from England to the World Assembly for moral rearmament en route to the United States and conveyed to them the best wishes of the committee, Mr. Loudon Hamilton introduced each member of the delegation.

The Chairman transmitted an invitation to attend a luncheon to be held on Thursday, May 31 at 12.30 in Room 16, at which the members of the above delegation will be present. He also read a letter from Mr. Speaker, dated May 30, to himself, inviting the members of the Committee to a reception to be held at 3.30 p.m. on Friday, June 1, in honour of Honourable Trygve Lie, Secretary General of the United Nations.

Items 84 to 91—Main Estimates

Mr. Pearson gave answers to questions asked at the previous meeting and was questioned thereon; namely:

1. International Service-Voice of Canada broadcasts;
2. On a broadcast he made on May 26 and reported in the *New York Times*;
3. Issuance of passports.

He was examined on the Tibet situation, on Communist China, on the appointment of the head of the permanent delegation in New York and on the status of Ambassadors.

Mr. Pearson deferred to the next meeting his statement on the International Joint Commission.

At 5.35, the Committee adjourned until Wednesday, June 6, at 4 o'clock.

ANTONIO PLOUFFE

Clerk of the Committee.

EVIDENCE

MAY 30, 1951.

The CHAIRMAN: I now call the meeting to order.

I believe I am voicing the sentiments of members of this Committee when I say we are pleased to have at our sitting a delegation to the world assembly for moral re-armament. They are spending two days here in Canada before going to Mackinac Island, in the United States.

I know I am expressing as well the sentiments of all of the parliamentarians when I say that you are very welcome indeed to our country and to our committee. You come from many sections of the world but you will find, generally speaking, that the Canadian people, and at least those in this committee, have a fairly broad outlook towards the whole world. We have participated in two wars to as great an extent as we possibly could, and we have no axe to grind. Even in time of victory there was no question of territorial or maritime aggrandisement. All we wanted was that there should be permanent peace in the world.

May I now call upon Mr. Loudon Hamilton who will say a few words to us and present the members of his group.

MR. LOUDON HAMILTON: Mr. Chairman and gentlemen, I want to express our thanks for the privilege and opportunity of being with you this afternoon during our brief visit to Ottawa.

Having served with the Canadian Corps in the first great war in France, I always feel delighted to come back again to Canada where we spent many happy months and had many happy visits in previous years.

Sixty-six of us last night left by strato-cruise from London, enjoyed a good fresh steak in Shannon, Ireland—a dinner we do not usually have in London, and we arrived in Montreal this morning. I must say we appreciate tremendously your graciousness in receiving us here today. Altogether, one hundred and sixty are flying from Europe to the Moral Re-Armament Assembly at Mackinac Island, Michigan, at the invitation of Senator Connally, who, as you know, is chairman of the Senate Foreign Relations Committee in Washington, together with the chairman and deputy chairman of the Foreign Affairs Committee of the House of Representatives in Washington. Other well known names among the Committee of Invitation to Mackinac are: Senator Wiley and Representative Charles A. Eaton.

They have invited us to this assembly, feeling the urgency at the present time of seeing how the western democracies can go on ideological offensive in 1951.

We bring fresh evidence of the positive force of the Moral Re-Armament Assembly at work in the mines, the docks, the parliaments of Europe and in the armed services.

Now, in response to your invitation I would like to present some of the persons in our party. Perhaps I should start with the ladies first—The marchioness of Graham, whose father-in-law, the Duke of Montrose, was such a close friend of the late Mr. Mackenzie King.

Next comes Mr. A.R.K. Mackenzie, who, for several years, served with Sir Alexander Cadogan at the United Nations, and who is now in the Foreign Office in London.

From Nigeria we have the Honourable Alban Ikoku, O.B.E., member of the Legislative Council of Nigeria and vice-president of the National Union of Teachers.

I think the one who has come farthest is Mr. Thio Chan Bee, recently elected a member of the Legislative Council of Singapore.

Then from Ceylon is Mr. Surya Sena whose father, Sir James Pieris, was the first vice-president of the Ceylon Legislative Assembly. Sometime I hope you will hear him sing. He is one of the world's leading exponents of Indian and Ceylon traditional folk music.

Mr. FRASER: There is no time like the present.

Mr. HAMILTON: I would like now to turn to the docks of London, which, as you know, have seen such a fierce battle for control in recent weeks. We have two distinguished representatives with us here—Charlie Stebbing, who is a member of the executive of the Stevedores and Dockers Union and who belongs to the Royal group of docks in London—formerly a member of the Port Worker's Committee which, as you know, is the unofficial Strike Committee—a Conservative body!

Mr. FLEMING: Hear, hear.

Mr. HAMILTON: With him is Tom Keep, who is a foreman in the Royal Albert Dock in London. Tom was formerly the president of the National Amalgamated Stevedores and Dockers Union and for four years was chairman of the dockers' section of that union. He was a member of the communist party for twenty-two years.

Along with him comes Bill Wild who represents the coal industry, North Staffordshire. Bill is a member of the executive of the National Union of Mineworkers for North Staffordshire, where there has been such a marked improvement in coal output since Moral Re-Armament Assembly went to that area. Duncan Corcoran, a shipyard worker from the Clyde. Bill Jaeger has come from London, he is a close friend of labour leaders throughout the world. Also I would like to present Colonel and Mrs. Williams-Wynne who have come from Wales. He won the D.S.O. and is a justice of the peace, so we have to behave when he is around.

Mr. FLEMING: A former Conservative candidate.

The CHAIRMAN: How did you know that, Mr. Fleming?

Mr. HAMILTON: In Moral Re-Armament we remain above party, class or point of view. Miss Margaret Godley has come from London representing the House of Citizenship, which trains younger people in citizenship. I would like to say I come from Scotland where we keep the Sabbath and anything else that we can lay our hands on.

Hon. Mr. PEARSON: Including the "Stone".

Mr. HAMILTON: I may say the spirit of Moral Re-Armament has so penetrated our country with absolute honesty that we have now returned the "Stone" to London.

It is interesting to know that both the prime ministers of Greece and Belgium have accepted an invitation to Mackinac and the Speaker of the Lower House from Stockholm, Mr. Savstrom, also is coming. He recently entertained us in Stockholm, along with three of his fellow speakers in parliament.

Official parliamentary delegations from South Africa, Australia and Washington have flown to attend the Moral Re-Armament Assembly in Coux, Switzerland.

The majority leader of the house of representatives in Washington has re-arranged the congressional program so that members of congress can attend our assembly in Mackinac. It runs from June 1st to June 12th and I need hardly say that we would welcome anybody from Canada who could join us there.

The CHAIRMAN: Thank you, Mr. Hamilton.

Present at this sitting are the Minister of External Affairs, the Honourable Mr. Pearson, and also one of the leaders of the great Conservative party, Mr. Graydon, the leader of the C.C.F. party, Mr. Coldwell, and also the leader of the Social Credit party, Mr. Low. I believe that we would all like to hear a few words from those four named gentlemen?

Mr. HAMILTON: I am sorry, sir, but I overlooked mentioning the war time commander of the Swedish army who is with us, General Holmquist.

The CHAIRMAN: The gentlemen I mentioned say they are too modest to speak, so I now wish to extend to every member of our committee an invitation to be present if at all possible at a luncheon tomorrow morning at 12.30 in room sixteen. It will be very instructive to mix with these visiting delegates, these very fine people, and get some of their ideas.

Now again I wish to say to the delegates that we hope theirs will be a very instructive and fruitful visit on the American continent.

Perhaps I should add that the visitors may stay at their leisure or leave at their pleasure. We will now proceed and our first order of business is a statement by the minister. We are on item 92 now.

Hon. Mr. PEARSON: Mr. Chairman, several questions have been brought up at previous meetings of the committee—questions which were not dealt with at that time and if it is your pleasure I might try to deal with a few of them now.

The first question on my list is the operation of the International Service of the Canadian Broadcasting Corporation—a matter in which several members of the committee have been interested.

You will recall, Mr. Chairman, that I did not deal with the question at the time it was first raised because I was anxious to be accurately briefed in regard to the operations and the policy of the service. So, with your permission, I would like to read into the record a short statement concerning that service and if there are any questions which may be asked after the statement I will be glad to try to answer them.

The development of Canadian short-wave broadcasting can be considered to cover three periods. The first period covered the latter part of the war when the C.B.C.-I.S. was established to broadcast to Canadian troops in Europe.

The second period began after the war in 1945 when many people hoped or believed that the world was entering an era of peace and international collaboration. During the second period, the C.B.C.-I.S. gradually added new languages to its program and put the chief emphasis on "the projection of Canada", that is to say, it felt that the aims of international collaboration and the revival of world trade would be best served in our broadcasts if our foreign audiences received an explanation of Canadian policies and principles and their background, and a picture of Canadian democracy, Canadian life, Canadian people, industry and so on.

As the hopes of 1945 faded and as the threat of Soviet imperialism became more and more apparent, the policy guiding the International Service gradually evolved to fit the changing international situation. So, the International Service entered a third period, and although one period merges into the next without a definite date of transition, it might be said that the third period is about two years old. Although the "projection of Canada" principles have not become eliminated, naturally they have become secondary, I think to what might be called "participation in the war of ideas."

As I said the other day in the House of Commons, the terms of the order in council establishing this International Service provided that it should work in consultation with the Department of External Affairs. The scope of this consultation has been considerably broadened over the past year and a half and there is now continuous consultation through visits of officers of the department and C.B.C.-I.S. and vice versa, and by means of letters, the telephone and the teletype. The Department of External Affairs now assumes the responsibility

for the general line of policy but, of course, the International Service, as an agency operating in a highly technical field, is responsible for adapting policy to the medium of short-wave broadcasting. Therefore, the C.B.C. is responsible for the writing of scripts or the commissioning of scripts by experts in various fields. We do not censor these scripts, but we are, of course, concerned in seeing that the general line of policy is followed and I shall tell you a little later something about how this is done.

I should like to speak more particularly of the broadcasts to Europe, and anything I say under this heading would not apply, for example, to programs directed to Latin America where, for obvious reasons, "the projection of Canada" still receives the main emphasis in our broadcasting.

In the broadcasts to Europe, as I have just said, the most important component is "participation in the war ideas". Here we have to consider two types of programs: those directed to the free nations of western Europe, especially NATO countries, and those directed to the Soviet Union and satellites.

In the case of Western Europe, where reliable news is readily available, it is our policy that C.B.C.-I.S. should help to develop, in NATO nations, a spirit of community and the appreciation of our common heritage and destiny, and should contribute to the growth of confidence in our common cause.

In broadcasting to audiences beyond the iron curtain, a definite aim is pursued; and here our policy may be said to be, in simplest terms, to preserve peace and check the inroads of Soviet imperialism, in an attempt to bring the truth about the west and about Soviet imperialism to those people who, actively or passively, support aggressive Moscow-directed policies; and to strengthen the morale, faith and determination of the many friends of freedom and democracy who still live behind the iron curtain but whose voices have been silenced. In these days when a Soviet-inspired opinion "peace campaign" is being conducted all over the world, our policy is also to stress our peaceful, unaggressive purpose while demonstrating at the same time our ability and determination to defend ourselves against aggression and to win a future war, which could only be started by the Soviet regime and its obedient satellite régimes.

As I have stated before, it is part of our program to unmask the hypocrisy of communist "democracy" in elections, trade union and labour camps, religion, etc, and the hypocrisy of Soviet "peace propaganda", and also to keep alive, among the oppressed peoples of eastern Europe and the Soviet union, knowledge and appreciation of liberal democracy and the civilization and code of ethics of the west.

In our broadcasts to eastern Europe we are careful to distinguish between, on the one hand, the Kremlin and the satellite regimes it controls, and, on the other hand, all the peoples of the Soviet union and the satellites, with whom we wish only friendly, cooperative relations based on mutual respect, and whose traditions we still honour. In other words, we attempt in these broadcasts to distinguish between the people and their governments.

From this you will see that policy guidance is the responsibility of the Department of External Affairs but the execution of this policy in the main is the responsibility of C.B.C.-I.S. They are the technicians, the specialists in the field of short-wave broadcasting who are best equipped to interpret a given line in terms of a short-wave broadcasting program.

In order to apply our policy guidance to their program, the C.B.C.-I.S. have a policy section headed by a policy coordinator. The policy coordinator holds daily policy meetings with the head and some members of the various language sections, and he transmits and interprets to them our guidance. The language sections then produce their material along the lines we have suggested and before broadcasts the material is checked by the policy section to make sure that the general line is being followed.

The International Service, as the experts in the field, have to decide what sort of program is most likely to be effective in carrying out this policy. For example, their own experience and their many conversations with officials of the British Broadcasting Corporation and the Voice of America have lead them to believe that good results cannot be obtained in the long run by abusive name-calling programs. They are frank in portraying Soviet policies or satellite conditions as they are, but they feel that cold facts make a bigger impression than a ranting voice.

While on the subject of facts, I should like to mention that the basis of the International Service broadcasts to eastern Europe is accurate, reliable news, as objective as we can make it. This is fundamental to a good broadcasting service directed toward areas where news is heavily censored and distorted. On the solid foundation of reliable news, C.B.C.-I.S. build their program structure of political commentaries and news talks which are the vehicles designed to carry the impact required by our policy.

Now, you might wonder whether we have any evidence as to the effectiveness of these broadcasts. Are they getting across to the people to whom they are directed? Even in the free countries of western Europe it is extremely difficult to estimate the value of the International Service's contribution to the general aims which I have just mentioned. There is, of course, no yardstick for measuring the growth of a spirit of community or of determination to resist aggression. Nevertheless, the audience mail received from western Europe does convince the C.B.C.-I.S. that they are making a useful contribution to the common cause.

In eastern Europe, behind the iron curtain, it is even more difficult to give statistical indications of the effect of the broadcasts. It would be even more difficult for me to give you statistical information in detail if I had it before me because, for obvious reasons, we do not want to indicate in detail the type of effect we think we are achieving. However, there is, I may say, a variety of evidence pointing to the effectiveness of western broadcasting, including our own. The most impressive piece of evidence is the fact of Soviet jamming. Estimates of the number of Soviet jamming transmitters vary between 600 and 1,000. This is a tremendous effort in terms of capital outlay and current expenditure which, it seems to me, can only be interpreted as a revelation on the Kremlin's great fear of western voices reaching the people under their control. They are of course more frightened of the truth than of anything else and they are going to great lengths to keep the truth from penetrating behind the curtain.

Another form of evidence consists in the steady flow of sarcastic, scornful and angry references to western broadcasting in the Soviet and satellite press and radio. That itself is an indication of their worry, and I suppose of our effectiveness, I mean the effectiveness of western broadcasting services. On August 4th, 1948 for example, a Czechoslovak daily paper had this to say about the C.B.C.-I.S.: "the Canadian Broadcasting Corporation carries nothing else than big doses of anti-Soviet propaganda and slander against the people's democracies." When they turn to things like that in their newspapers you have some reason to believe that what you are trying to do is having some effect.

Although, for obvious reasons, the steady flow of audience mail from Czechoslovakia has stopped since the communist coup in 1948, a trickle of letters still reaches the C.B.C.-I.S. and tells them of the continuing interest in their broadcasts.

That, Mr. Chairman, is the general statement on this matter which I wanted to make and which I hope will have covered some of the questions which arose the other day, although it does not deal with all of those questions.

Mr. FLEMING: I would ask the minister how he arrives at this information about the 600 to 1,000 Soviet jammers.

Hon. Mr. PEARSON: Well, I said between 600 and 1,000, giving myself a good deal of leeway. I think that is pretty accurate information—it is somewhere between those figures.

Mr. BENIDICKSON: I have never been one who is very optimistic about the dividends from this investment and one reason is that very few Canadians listen to short-wave. For one thing, people with slender means do not own radios with several bands enabling them to listen to anything other than local broadcasts. I wonder whether that is different in European countries?

Hon. Mr. PEARSON: Well, we may not be very interested in short-wave in this country. I am like you in that respect; but if I had lost my freedom and had been driven underground and could find any way of keeping in touch with freedom outside my country and with what was going on outside, I would be more interested in short-wave than I am now. We have had evidence during the war as to the lengths to which listeners would go and the risks they would run to hear the truth from outside. Also, in contrast to our own continent here, most of the broadcasting in Europe is short-wave broadcasting and listeners there are accustomed to that kind of wave broadcasting.

Mr. COLDWELL: Do you relay any programs to European stations?

Hon. Mr. PEARSON: Yes, from radio stations in friendly countries.

Mr. CROLL: Is there any arrangement between the Voice of America, the C.B.C. and the B.B.C. shortwave systems broadcasting, to all these foreign countries so that we are not all on the air at the same time?

Hon. Mr. PEARSON: Yes, I understand there is a certain amount of co-ordination in that respect.

Mr. CROLL: At what time of the day do we broadcast?

Hon. Mr. PEARSON: They have an arrangement for the allocation of bands and times.

Mr. COLDWELL: Do we still accord the facilities of our international shortwave broadcasting station to the use of Russian delegates at the United Nations as was done several years ago over our shortwave? I understand that our shortwave system was the one that was best adapted for that broadcasting.

Hon. Mr. PEARSON: Our shortwave is still being used by agreement with the United Nations at certain periods of the day.

Mr. COLDWELL: That would encourage listening in Europe, I suppose.

Hon. Mr. PEARSON: That is one way of getting audiences.

Mr. BENIDICKSON: Is that service provided to the United Nations without recompense?

Hon. Mr. PEARSON: We do not actually get paid for that—I speak here subject to correction—but we do get a certain compensatory benefit from the broadcasting of the activities of the United Nations; also, they use our station at times when we would normally be using it.

Mr. GRAYDON: I take it that the limited facilities for radio listening in China would not warrant our taking any steps in that direction yet?

Hon. Mr. PEARSON: No, it would not warrant the very heavy expenditure which would be involved because I should not think there are many shortwave listening sets in China.

Mr. COLDWELL: I remember when this station was first built it was said that it would be very difficult indeed to get any audience in China because in broadcasting there we would have to cross the pole.

Mr. BENIDICKSON: We are always speaking of the poverty in Europe and are always presenting a tremendous picture of poverty in Russia. What evidence have we got of the percentage of population in Russia who have receivers of any kind let alone who have shortwave receivers that would pick us up?

Hon. Mr. PEARSON: There is no doubt that only a very small percentage of the people in Russia or Czechoslovakia hear these broadcasts directly. That is partly due to jamming and partly due to the danger to which they subject themselves when they try to listen; but it is also pretty certain that when one person does hear this information it gets around to others, and from the information we get from Washington and London where they have more opportunities for estimating the effect of broadcasting than we have, we consider it is worth doing.

Mr. BENIDICKSON: Well, facts were not very successfully presented to the United States Congress, to the effect that it was worth while, because if I am right they have reduced this year's appropriation for that purpose very considerably.

Hon. Mr. PEARSON: I am not sure but I think they increased the appropriation this year.

Mr. BENIDICKSON: I think it was reduced from \$96 million to \$10 million.

Mr. FLEMING: There was a debate on that within the last ten days reported in the press, but I do not remember whether it was in one of the Houses or in committee.

Mr. BENIDICKSON: My recollection goes back to sometime further than ten days, and it was in one of their committees, probably six weeks ago. I think that there was a reduction in their appropriation recommended from \$96 million to \$10 million or anyway about 90 per cent.

Mr. CROLL: You have been listening to too many Republican senators.

Hon. Mr. PEARSON: I remember that one of the objections made in Congress in connection with the Voice of America was to its control; it was not because it was not a good thing but only that they did not like the way the State Department was handling it.

Mr. STICK: Did I read your remarks correctly, Mr. Minister, where you said your department was responsible for the script but you did not censor it. Is there any censorship on scripts at all?

Hon. Mr. PEARSON: I hope I did not say that because if I did I would not be correct. I said we were not responsible for the script but we were responsible for the policy which would be carried out by those who wrote the scripts; the actual job of writing the script was the responsibility of the international service itself. I said we had an opportunity to read the scripts and check them and if we found they were departing from the policy we agreed upon we took the necessary action.

Mr. CROLL: I would like to know if there is a Voice of Russia beamed at us and are we jamming it? Can you answer that?

Hon. Mr. PEARSON: I would not mind answering it if I had the information.

Mr. CROLL: But is there a Voice of Russia beamed at us?

Hon. Mr. PEARSON: I do not think there is a Russian broadcast beamed to Canada.

Mr. FLEMING: But we do get Russian broadcasts. There is a daily broadcast in Russia and its reception is very good, so I am told, but the reception of Canadian broadcasts in that particular area is very poor, apparently due to geological features.

Mr. BENIDICKSON: Is there a Russian broadcast regularly beamed to Canada?

Hon. Mr. PEARSON: There is no especially beamed broadcast that I know of.

Mr. QUELCH: There is a Voice of Moscow; you can hear it in the Prairies at six o'clock every day.

Mr. STICK: You can certainly hear it in Newfoundland and when it is on it shuts out everything else.

Mr. GOODE: I thought the people in Newfoundland were so poor they couldn't afford a radio.

Mr. STICK: If we want to get the news we have to have a shortwave and nearly everybody in Newfoundland has one. And that is that.

Mr. MACNAUGHTON: As the member who raised this question at the last meeting, I would like to thank the minister for giving us so much information. My reason for asking the question in the first place was that we had so little information, and many people in my district of Montreal were getting quite concerned about all the busy employes on floor No. 10 in Radio-Canada building and they wanted to find out what they were doing, what the policy was and what it was costing. Now, I have only three questions to ask. We spoke of the policy section head. What is that gentleman's name?

Hon. Mr. PEARSON: Mr. Pigeon.

Mr. MACNAUGHTON: He is located at C.B.C. in Montreal?

Hon. Mr. PEARSON: Yes.

Mr. MACNAUGHTON: He is an employee of the C.B.C.?

Hon. Mr. PEARSON: Yes.

Mr. MACNAUGHTON: Is there any co-operation or integration of the programs with the U.S.A. Voice of America?

Hon. Mr. PEARSON: There is co-operation between the two.

Mr. MACNAUGHTON: There is no duplication?

Hon. Mr. PEARSON: They attempt to exchange ideas and see that they are not contradicting each other's policies.

Mr. BENIDICKSON: If these programs are beamed by Voice of America, to groups, which have a special interest for us, why do we need to beam two different programs to them if the groups interested are taking pains to listen to North America.

Mr. Low: "In the mouths of two witnesses all things should be established".

Hon. Mr. PEARSON: It is more difficult for the Soviet to jam if there are programs from different countries. We have also been told that programs coming from a smaller country like Canada sometimes command more influence than a program coming from a great power which is often in these countries more suspect than a smaller country.

Mr. MACNAUGHTON: The third question I want to ask is this. The cost is set down approximately at \$1,600,000 a year. Has that been cut down or is the intention to decrease it? Have economics been effected or have you any information on the general policy as to cost?

Hon. Mr. PEARSON: There have been suggestions made that we should increase our service and there have also been suggestions to economize. The proposals made for increased broadcasting have not been accepted upon the ground of economy I think, though I am not qualified to state categorically, that this service is being pretty effectively and economically operated. That is the information we get, but I would not be the person to give authoritative evidence on this question. I would refer that to the service itself. The officers of the service would be very glad indeed if members of this committee or members of parliament when in Montreal would call and have a look at the shortwave facilities, and at some of the scripts that have been broadcast or will be broadcast.

Mr. BENIDICKSON: Montreal members of Parliament recently were not invited when there was an opportunity for them to be invited.

Hon. Mr. PEARSON: Maybe you could write a script for them.

Mr. MACNAUGHTON: Perhaps their public relations man would be good enough to invite us.

Mr. MURRAY: Are any Chinese Canadians employed in connection with broadcasting?

Hon. Mr. PEARSON: Not that I know of. We do not do any broadcasting to China.

Mr. MURRAY: Are there any Chinese employed by the government of Canada, that is, in your department?

Hon. Mr. PEARSON: We have local employees in our offices in China and I think we may have one or two in Canada but I could not say offhand.

Mr. FRASER: Mr. Minister, could you tell us anything about the broadcasts that are put on by Radio Free Europe? They have now two stations. They have a new one at Munich and it is on the air eleven and one-half hours a day and rams its message behind the Czechoslovakian iron curtain with one hundred and thirty-five thousand watts power.

Hon. Mr. PEARSON: I will be glad to get some information about that operation which I have read about but of which I know very little except that this is being done by a private broadcasting organization composed to a considerable extent of refugees from the countries to which the broadcasts are directed, and it is actively encouraged and sponsored by one of the occupying powers in Germany.

Mr. FRASER: I have a clipping here from the *New York Times*, on May 23, 1951. I will read part of it:

While the Voice of America of the United States Department of State must, as an official government agency, be restricted to the polite and the well reasoned appeal, Radio Free Europe, which is a private agency, is not so inhibited.

They say in this article that this broadcasting goes right behind the Iron Curtain; they will pick out a man and say beware of such and such a man, and name him.

Hon. Mr. PEARSON: They would require to have a great deal of local knowledge to do that, I would think. I would like to have some more information on it.

Mr. DECORE: Apart from the Russian and Czech languages what other languages reach behind the Iron Curtain from Canada?

Hon. Mr. PEARSON: I know, Mr. Decore, you have been very interested in that aspect of the whole question, and you have asked me about that privately, whether we should not broadcast behind the Iron Curtain in languages other than Russian and Czech, and you also asked me whether we made any recommendations in the department regarding broadcasting in Ukrainian and Polish. I might just read a supplementary paragraph on that.

In this connection it should be pointed out how the International Service developed slowly, adding new languages as funds and facilities permitted. The Czechoslovak Service, for example, was not begun as the result of an assumption that Czech was more important than, say, Ukrainian or Polish, but because Czechoslovakia was the first, and regrettably, the only eastern European country to be re-established after the war with what then appeared to be a stable democratic government. This enabled CBC-IS to make easy contact with Czechoslovakia and begin what was an experiment: their first eastern European service.

The service, we think, has been successful. We feel that during the years before the coup d'état in Czechoslovakia, the C.B.C. built up a substantial audience. Therefore when Czechoslovakia became a Soviet satellite it seemed wise to continue that broadcasting because of the audience we had already built up. Our transmitting facilities permit only one program to be broadcast at a time and the broadcasting schedule is now full. It was, however, before the facilities were all being operated, decided to add the Russian language to the service. That was a decision taken in January of this year, and personally I think that was a sensible decision. However, it made necessary the reduction of two existing programs. Now, the addition of other new languages could also only be achieved by reducing or eliminating existing programs or by spending a lot of money for new transmitters and more staff. It has been decided not to make those additional expenditures at this time.

Mr. DECORE: I am raising this question because there is evidence that the potential underground is strong in Czechoslovakia, Poland and the Ukraine; there is a population of twenty-four million in Poland, forty million in the Ukraine and ten million in Czechoslovakia and I wondered if it would be possible to extend the service both to Poland and to the Ukraine because they are the people we can rely on very extensively at a later date.

Hon. Mr. PEARSON: I think we might take up with the international service the addition of Poland and Ukraine. I know it would not be possible under our present budget, but as to the addition of Ukrainian and Polish broadcasting, we will look into that.

Mr. DECORE: What about the extension of the broadcasting service to Europe when our service personnel arrive there?

Hon. Mr. PEARSON: I am now getting into a field on which I have no knowledge.

Mr. BENIDICKSON: I think the year's cost figure for this service was mentioned at \$1,600,000. Does that cost include capital as well as operating costs?

Hon. Mr. PEARSON: Our difficulty, Mr. Benidickson, in answering that question is: we are not responsible for inserting this item in the budget at all, but if the committee so desired I could get that information from the C.B.C.

Mr. FLEMING: In the book of estimates there appears the notation that this service is only performed by C.B.C. as an agent of the government on a payment basis.

Mr. BENIDICKSON: They get a direct grant.

Mr. DECORE: You say there are only two transmitters at the moment?

Hon. Mr. PEARSON: I think there are only two, yes.

Mr. BENIDICKSON: The capital cost to date, amounting to some millions, I believe, and the cost of the annual upkeep are kept in a separate account—international broadcasting?

Mr. DECORE: Would you have an estimate of what two extra transmitters would cost?

Hon. Mr. PEARSON: I have not any estimate but we could get that information.

Mr. COLDWELL: Of course it is to be remembered that these stations broadcast to countries other than European countries.

Hon. Mr. PEARSON: Yes, shortwave broadcasting is also directed to Latin America. When the government was considering the reduction of shortwave broadcasting by eliminating the Latin American broadcasts the Department of Trade and Commerce and business interests generally advised very strongly

against that because, they said, the diffusion of this kind of information to Latin American was a very good background against which to develop our trade and they deprecated any reduction of broadcasting to Latin America.

Mr. MACNAUGHTON: I understand there was a reduction in broadcasting to the United Kingdom; at least it is rumour.

Hon. Mr. PEARSON: I have not heard that.

The CHAIRMAN: That would be a question to be directed to the CBC.

Mr. COLDWELL: Of course, when this service was first set up it was not set up to wage ideological warfare, it was set up as a service to our troops in Europe, primarily. That was one of the reasons.

Hon. Mr. PEARSON: That is right.

The CHAIRMAN: A few moments ago I received the following letter from the Speaker. It is dated May 30, 1951, and it reads as follows:

Dear Mr. Chairman:

The Honourable Trygve Lie, Secretary-General of the United Nations, will be in the House of Commons on Friday, June 1st. I expect he will be present at the opening of the House and will sit in the Speaker's Gallery. About 3.30 he will come to my Chambers. I would be pleased to receive, at that time, the members of the External Affairs Committee so that they can be presented to the Secretary-General. Would you kindly extend this invitation to the members of your committee? If you could give me some idea as to the number who will be free to accept the invitation, I would appreciate it.

Yours sincerely,

(Sgd.) W. Ross Macdonald
Speaker

I presume I could give the Speaker the complete list of our thirty-six members.

Mr. STICK: Some of us are going to Chalk River on Friday.

The CHAIRMAN: How many will be going?

Mr. JUTRAS: I am going.

The CHAIRMAN: I would also like to explain to the members that the luncheon tomorrow will cost \$1.50, which is a very reasonable price.

Shall we proceed with the next order of business?

Mr. GOODE: Mr. Chairman, I am going to ask for permission from you while we are fortunate enough to have the minister here, if you will suspend consideration of the next item for a moment. I want to ask the minister a question regarding Tibet. I think the matter is a serious one now and you should give me permission to ask the question. From press reports it seems the Peiping government has created a situation in Tibet that may be of danger to India in the next few months. Could you say anything about that now?

Hon. Mr. PEARSON: I might say a few words on that but I am not quite clear exactly as to what has happened in the last few days and the information I have is what I have seen in the press. I know that the Indian government has been worried about developments in Tibet because Tibet in the hands of an unfriendly aggressive government might be considered by them as a threat to India. On the other hand all you have to do is to learn a little of the geography of Tibet to realize it would not be like having hostile armies on your doorstep. Tibet in a sense is not a doorstep to any place. It is the roof of the world. The relationship between Tibet and China over the centuries has

been one of recognition by Tibet of Chinese suzerainty. China in its turn has recognized the right of the Tibetans to govern themselves under that suzerainty. The Chinese communists claim all they are doing is trying to exercise or to secure formal recognition of a right that they already have. The situation has been clouded by the fact that Tibet is not a very strong country militarily or economically, and is not able to defend itself, and its government is, shall I say, rather unusual. It is ruled by the Dalai Lama and priests, whose rule have been challenged by another Lama, Panchen Lama, who, I think, has been living in China in recent years. This situation may be considered as justifying some anxiety in India, but I would not like, on the basis of the information I have received, to suggest that it is as alarming as the situation in some other parts of the world.

Mr. STICK: The passes from Tibet into India go up to an elevation of close to 15,000 feet. From the standpoint of an army invasion there would be more fear of danger through the Burma road. There would be a danger of ideological influence there, but from a military standpoint it would be impossible to do anything.

Mr. GOODE: Well, what about considering it from the standpoint of landing fields, Mr. Minister? Have you any idea of what can be done about having landing fields there?

Hon. Mr. PEARSON: The operation of a landing field in Tibet would be very hazardous, and I speak again without much knowledge on the subject. I do not think Tibet could be considered as a very promising place for a landing field in the hands of a hostile air force. I really think, as Mr. Stick has said, that there would be more danger from the Burma road area and that part of Asia bordering India in the north, Assam especially.

Mr. MACNAUGHTON: I understand there was a treaty between the Tibetans and the Chinese. Has that treaty been scrapped?

Hon. Mr. PEARSON: I do not know whether it has been scrapped. I do not know what arrangements have been reached between these two governments.

Mr. GOODE: You do not view the situation as too serious at the moment?

Hon. Mr. PEARSON: I would prefer to say there are more alarming situations in other parts of the world.

Mr. HIGGINS: What is Canada's attitude with regard to the participation of communist China in the Japanese peace treaty?

Hon. Mr. PEARSON: As I think I said at the first meeting, or some place, we do not feel it would be realistic to invite the government in Peiping to participate in the signing of a Japanese peace treaty while we are fighting against the soldiers of that government in Korea. But if the Korean conflict could be brought to an end and an honourable arrangement made, then we would consider the question of Chinese communist participation in the peace treaty as at least an open one.

Mr. HIGGINS: India has joined with the United Kingdom at the present time in this request; is that not correct?

Hon. Mr. PEARSON: The United Kingdom has not I believe committed itself to that extent about Chinese participation in the peace treaty. The United Kingdom policy in that regard is, I think, that they would prefer to postpone any decision until a more propitious moment.

Mr. HIGGINS: It has been so reported in the press quite recently.

Hon. Mr. PEARSON: I saw those reports too and I think they were a little exaggerated. The United Kingdom certainly had expressed in no uncertain terms its disinclination to agree to the Chiang Kai-shek government being a signatory to a Japanese peace treaty. There are one or two other matters

that came up, Mr. Chairman, and if you want me to deal with them now I am ready to do so. I was not here at the last meeting on Monday but I understand Mr. Coldwell had some questions.

Mr. COLDWELL: Mainly a clarification.

Hon. Mr. PEARSON: Of what?

Mr. COLDWELL: In view of the conflicting reports we are getting from the United States and the interpretation that might be placed upon your own remarks on Saturday I wonder if you could clarify Canada's position in regard to these points: Where do we stand now regarding the proposals that were made in January?

Hon. Mr. PEARSON: So far as we are concerned we stand by the Statement of Principles of the United Nations which visualize a settlement of the Korean question and other Far Eastern questions in accordance with the principles that we laid down in that settlement. We have not changed our position in that regard. As I said last Saturday night on that broadcast—possibly I might quote my words:

We must hope that the day will come when they will realize that it is not China, but Russia, which is being served by the aggression in Korea in which they have participated. Then, they may be ready to enter into discussions leading to a settlement of Korean and other Far Eastern issues, on terms that the United Nations can accept.

That means that we will be willing as a member of the United Nations to discuss questions within the resolutions of the United Nations, with the Chinese communists provided there is a cease fire in Korea, followed by a political settlement in Korea and other Far Eastern questions.

Mr. COLDWELL: That will include Formosa?

Hon. Mr. PEARSON: The Statement of Principles definitely made mention of Formosa but we would not be willing to sit down with the Chinese communists and discuss any political settlement in Korea, or Formosa, or any other political settlement while they are fighting our men in Korea.

Mr. COLDWELL: A cease fire must be the first step.

Hon. Mr. PEARSON: Yes, a cease fire must be the first step.

Mr. COLDWELL: But beyond that, the situation as far as Canada is concerned, remains as it was in January?

Hon. Mr. PEARSON: That is correct.

Mr. COLDWELL: That is the understanding?

Hon. Mr. PEARSON: Yes.

Mr. MACINNIS: If a cease fire should take place and negotiations for a Korean settlement begin, would that imply recognition by Canada of the Peiping government?

Hon. Mr. PEARSON: No, it would not necessarily imply that because the discussion of this question with the Chinese communist government would be nothing more than a discussion with a government which we have not yet recognized but with which we are willing to talk under certain circumstances.

For instance, we were quite willing to talk with the representative of the Chinese communist government at Lake Success last January regarding a cease-fire. I personally was waiting to talk with him, but I would not have considered that if he had been willing to talk to me that I was thereby recognizing the government which he was representing.

Mr. GRAYDON: You would not talk his language.

Mr. MCKINNON: Well, perhaps there is no more logic in External Affairs than in any other matter, but it would not be logical to discuss agreement with the Peiping government without that ultimately leading to recognition?

Hon. Mr. PEARSON: One of the points of the Statement of Principles was that if these other matters could be satisfactorily settled then we would be willing to discuss recognition. There has been some suggestion made in the press and elsewhere, as a result of the speech made in New York by Mr. Dean Rusk, the Assistant Secretary of State, for whom I have a very great regard, that the United States position in this regard has changed and that they are now not willing to discuss anything with the Chinese communist government, or recognize it in any way as the spokesman of the Chinese people. We have been informed after making inquiries of the State Department as to the meaning of this speech that Mr. Rusk's address represents no change in United States policy.

Mr. CROLL: Yes, but go ahead.

Hon. Mr. PEARSON: Mr. Acheson in his press conference shortly after the speech made it pretty clear in answer to questions that the United States government is willing to negotiate with the Chinese communist government.

Mr. COLDWELL: On the basis of—

Hon. Mr. PEARSON: There is no mention of basis but they will talk with the Chinese government. There was a question asked of Mr. Acheson at that press, and I have the verbatim record here:

Sir:—If there were to be a settlement with whom do you conceive of this being negotiated—with the North Koreans, with the Russians or with the Chinese?

Mr. Acheson replied: "Well, I suppose that any settlement that would be negotiated would be negotiated with those who are now causing the trouble and I imagine that would be with the Chinese".

He was also asked this question: "Mr. Secretary, to get more specific, Mr. Rusk's statement to the effect that the Peiping regime does not represent the people of China doesn't mean that we wouldn't negotiate a settlement in Korea with that government if the opportunity arose. Is that correct?". Mr. Acheson replied: "Well, as I pointed out if you are going to stop fighting with the people who are fighting you, you would have to deal with the people who are fighting with you. I think General MacArthur stated that. Everybody has stated that".

That is how Mr. Acheson felt.

Mr. GRAYDON: It seems to me, in regard to Dean Rusk's statement on policy towards China, that there has been considerable said but one of the clearest comments was made by Mr. J. B. McGeachy of the C.B.C. on Sunday night in which he stated the situation very clearly.

Hon. Mr. PEARSON: Since that time we have received a reply from our ambassador in Washington who was requested to get information directly; we have received assurances that Mr. Rusk's statement did not represent any change of policy and was not cleared through his superior officers in the department. We were very glad indeed to get that assurance.

Mr. COLDWELL: May I ask if our ambassador, Mr. Hume Wrong accompanied Sir Oliver Franks when he made representations to the State Department regarding the Korean situation and the conflicting speeches which have been made in the United States recently concerning that situation?

Hon. Mr. PEARSON: Sir Oliver Franks? No.

Mr. Low: I think I did suggest the other day that one of the terms used so often by the members of the department—and I pointed out that the minister used it in his speech last Saturday night—and which causes considerable confusion, is "defeat of aggression". I wonder if the minister could clarify that term rather specifically for us?

Hon. Mr. PEARSON: I do not know whether I can be much more specific than I was in that broadcast but what I did say at that time on this point was this—and I had better read it before I start explaining it or trying to explain it. I said that our objectives in Korea were the defeat of aggression and victory against the aggressor. I then went on and I quote: “but victory in this type of limited United Nations war may not have to be the kind of complete capitulation of the enemy with which we have been made familiar. Victory is the achievement of our objectives, and they remain the defeat of aggression against the republic of Korea.” That is from my broadcast and that is what you would like to have explained in more detail?

Mr. Low: Yes.

Hon. Mr. PEARSON: What I meant by that was that I did not feel that we were under any obligation by virtue of any resolution of the United Nations—which is still the only source of our obligations in Korea—to conduct a war through to a victorious conclusion, in the sense that victory must mean the defeat of the Chinese government in China.

It is true that this government, through its troops, is intervening in the aggression in Korea, but our objective is to defeat that aggression and if that can be done by limited action with limited objectives then I think we will have discharged our obligations under the United Nations resolution.

Now, in recent days—as late as yesterday in the hearing before the Senate committee, General Vandenberg indicated that the aggression might be defeated if the north Korean and Chinese aggressors were driven back beyond the thirty-eighth parallel and ceased their efforts to attack. I can visualize a situation where the actual aggression might be defeated by a Chinese and north Korean withdrawal behind that line—as an indication of a willingness that they meant to negotiate.

The aggression began when they broke through the thirty-eighth parallel; the aggression might conceivably be ended when they agreed to keep behind it again and to negotiate a political settlement which would bring about the unification and liberation of all Korea by political means.

Mr. DICKEY: Our objective would be the unification and liberation of Korea?

Hon. Mr. PEARSON: Our political objectives, in the Statement of Principles are, first, a cease fire, to be followed by a political settlement which would make it possible for a united and liberated Korea to be set up by a decision of the Korean people themselves.

Mr. COLDWELL: My interpretation of what you said now I think would be correct—that you had in mind the liberation of the Republic of Korea, which would mean that beyond the thirty-eighth parallel we were not interested in military activities—although we are interested in a political settlement for all Korea.

Hon. Mr. PEARSON: I would not go so far as that because it may well be that in order to maintain our position in south Korea and restore the republic of Korea it may be necessary to destroy military elements of the aggressor north of the thirty-eighth parallel. It would depend upon the military position, the situation, or what the Americans call the “military posture of the aggressor”. If he moved well back and de facto cease fire resulted, that would be one situation. The fact that he moved back beyond the thirty-eighth parallel to regroup, refit, and reorganize with a view to another attack might mean that it would be necessary to attack him there.

Mr. Low: The reason that I brought up the question is that I think you can see, as I mentioned in the debate on External Affairs, the possibility of the United Nations suffering considerable loss of prestige as a result of what may be

our policy there—in this way. How many small countries in the future might be prepared to come to the United Nations for an appeal for assistance against aggression when they have seen what has happened in Korea?

Hon. Mr. PEARSON: That is true, but it is not entirely related to the policy I suggested as possible. I still want to make a distinction between an aggressor that has been driven behind the thirty-eighth parallel so badly defeated that he has given up the aggression and is prepared to negotiate, as against an aggressor who has gone beyond the thirty-eighth parallel, as a refuge, in order that he can attack again. The situations are entirely different.

Mr. COLDWELL: Has this thought you have in mind been made clear to the north Koreans and the Chinese now that they have been driven back—that we are prepared to negotiate with them?

Hon. Mr. PEARSON: If they have been reading the record of the congressional hearings in the last two weeks—which I doubt—it should be made clear to them in the statements made by General Marshall, General Bradley, and now General Vandenberg. I would hope there have been steps taken to make it quite clear to them—but I do not know about that.

Mr. QUELCH: You would not consider that aggression had been defeated until the Chinese had agreed to cease fire?

Hon. Mr. PEARSON: No, I would not myself consider aggression had been defeated until the aggressor had ceased fire in Korea.

Mr. Low: In Korea?

Hon. Mr. PEARSON: Yes. That cease fire might be brought about as a result of negotiations arranged along the lines we tried to put into effect in December, or it might be brought about by a de facto situation.

Mr. MURRAY: Mr. Chairman, do you not think that the Chinese now feel that they have been taken for a ride by the Russians?

Hon. Mr. PEARSON: I hope so.

Mr. MURRAY: That is a fact is it not? That they feel that way?

The CHAIRMAN: It might be the other way around.

Mr. MURRAY: As soon as it gets around among them there will soon be dissention.

The CHAIRMAN: I may be wrong but my own view is that China did not want any Russian soldiers in Korea. I feel they did not want any Russian soldiers because in the past their experience has shown that when the Russians put a foot on Chinese soil it is all over.

Mr. MURRAY: It is Russian material and all that sort of thing.

Mr. FRASER: Vandenberg evidently intends to keep chasing them past the thirty-eighth parallel because the other day he said that the thirty-eighth parallel did not mean anything to him.

Hon. Mr. PEARSON: That is right. Our own troops are beyond the thirty-eighth parallel now. It would be very unrealistic to suggest, in the middle of a campaign, that they should stop at any line. What I am suggesting is that there might be certain circumstances when they might negotiate a settlement on the basis of the cease fire arrangement put forward last December which did visualize the Chinese and north Koreans on one side, the south Koreans and the United Nations on the other side, with a neutral zone in the middle, and that they stand there while the settlement is being made. I am not unhopeful that such an arrangement be brought about a little more easily in days ahead.

Mr. QUELCH: You have not given up the intention of unifying Korea?

Hon. Mr. PEARSON: No, it still remains the intention to free and unify Korea.

Mr. McKINNON: May I ask a question on that? The United Nations would be prepared to negotiate on other terms than on a unified Korea?

Hon. Mr. PEARSON: No, I do not think the United Nations can negotiate for a permanent settlement which would recognize a division of Korea. That would be inconsistent, not only with the recent resolution but the resolutions of the United Nations of two or three years ago by which we still abide.

Mr. MACNAUGHTON: I was going to raise a point that the minister indicated that he wanted to make several other answers to questions.

Mr. JUTRAS: Might we have a statement on the International Joint Commission?

Hon. Mr. PEARSON: I would be glad to make a statement on passports in view of certain questions which have been asked.

The CHAIRMAN: Were they questions pertaining to the present discussion?

Mr. JUTRAS: No, questions were asked at previous meetings. There was also the matter of the International Joint Commission.

Hon. Mr. PEARSON: I would like to make a statement on passports.

The standing committee on external affairs recommended in its fourth report, on June 22, 1950, that the Department of External Affairs:

Actively re-examine at once the question of issuance and revocation of passports granted to Canadian citizens whose loyalty to alien systems of government take priority over their loyalty to ours.

Methods by which this recommendation could be most satisfactorily complied with have been under consistent examination for nearly a year both on official and ministerial levels.

I may say we have given this matter a great deal of consideration. It is a very difficult and complicated subject. Friendly governments confronted with the same problem have also been consulted.

The mere refusal of passports to Canadian citizens mentioned in the recommendation, and withdrawal or invalidation of the travel documents already held by such persons, would not prevent these persons from visiting iron curtain countries, as they could leave Canada on direct transportation facilities or acquire a travel document from the country which had a particular interest in their visit. Although Canadian citizens returning to Canada without Canadian passports might experience some delay on arrival at Canadian ports of entry, they would not be inadmissible because they did not hold Canadian passports; they would merely have to identify themselves satisfactorily as Canadian citizens, and then we would have to admit them or re-admit them.

We have been confronted with the situation of loyal Canadian citizens getting into difficulty with local authorities while visiting iron curtain countries. The other kind of Canadian citizen does not seem to get into much difficulty in those countries. In order to enable us to give these travellers all the protection and assistance within our power, the following "Notice to Travellers" has accordingly been incorporated in the Canadian passport regulations and will shortly be published in the Canada Gazette:

This is the notice which is to be shortly published.

Owing to difficulties which may be encountered by Canadian travellers abroad, holders of Canadian passports who intend to visit Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Roumania, the Soviet Zone of Occupation in Germany or the Union of Soviet Socialist Republics are required before undertaking such visits to notify the Passport Officer, 38 Bank Street, Ottawa, or the nearest Canadian diplomatic or consular officer abroad of their travel plans and of the length and purpose of their visits.

On arrival in any of the countries named, Canadian travellers are required to furnish to the nearest Canadian or United Kingdom diplomatic or consular officer particulars of their passports and home addresses together with details of their itineraries. They should keep in close touch with the appropriate Canadian or United Kingdom officers—that is in countries where there are no Canadian diplomatic officers—and on leaving the country should notify the officer to whom they last reported.

Failure to comply with these requirements may result in withdrawal of passport facilities.

Mr. GRAYDON: Is there any special reason, Mr. Minister, why the Soviet occupied zone of Austria is omitted?

Hon. Mr. PEARSON: No, I am not aware of any special reason. I would be glad to look into it.

Mr. COLDWELL: I notice you have omitted Yugoslavia.

Hon. Mr. PEARSON: Yes.

The last point I wish to make is that this procedure for checking in and out of iron curtain countries will also assist the government in its attempt to ensure that Canadian passports, which are the property of the Canadian government, are not being used for improper purposes.

Mr. Minister, you say this is a note that will go in a passport. Is it a loose note, or is it fastened or stamped on the passport?

Mr. COLDWELL: Pasted into the passport?

Hon. Mr. PEARSON: It will be pasted inside the passport.

Mr. FRASER: Would it not be better to have a stamp made and stamp it right on one of the sheets of the passport—so that they would not be able to plead ignorance?

Hon. Mr. PEARSON: I think it will be attached in such a form that they will not be able to plead ignorance.

Mr. FRASER: That will be all right.

Hon. Mr. PEARSON: This will serve the purpose of enabling our representatives abroad to keep in touch with all Canadians who are in iron curtain countries, where it is difficult indeed to give them protection at times—and it will be a very real service to bonafide loyal travellers. It is not an attempt on our part to restrict that kind of travel at all. It is restricted, but through no effort of ours. It will also enable us to know who are going to iron curtain countries, why they are going, and it also gives our officials in those countries a better chance to get help if they need help.

Mr. FRASER: Well, will your department notify people leaving Canada to go abroad that you are putting this in new passports?

Hon. Mr. PEARSON: Yes, they will all be notified.

Mr. FRASER: They will all be notified as they leave.

Mr. QUELCH: Have there been many cases where Canadians who decide to visit relatives behind the iron curtain have gone there and have been prevented by the Soviet from returning?

Hon. Mr. PEARSON: I do not know of any case where a Canadian has gone on a visit to an iron curtain country and has not been allowed to return. Of course, there are very few Canadians who have been given that privilege—unless they were of a disposition not to object to remaining there.

Mr. FRASER: Yes, but the Russians refused to allow the wife of a Canadian diplomat to come to Canada?

Hon. Mr. PEARSON: Yes.

Mr. MACNAUGHTON: Has any consideration been given to the question of issuing special type passports for members of the House of Commons and the Senate?

The CHAIRMAN: It was mentioned before but it was "no go".

The WITNESS: An order in council was passed some time ago governing the issue of special passports—official passports—and among those to whom such special passports may be issued are members of the Senate and the House of Commons, members of provincial cabinets as well as the members of their immediate family travelling with them or proceeding to join them abroad—regardless of the purpose for which the head of the family goes away. So, while you are a member of the House of Commons you are entitled to a special passport.

Mr. COLDWELL: That has been in effect for two years.

Mr. GRAYDON: Would that apply to a communist member of a provincial legislature?

Hon. Mr. PEARSON: Members of a provincial cabinet. I do not think there is a communist member of a provincial government.

Mr. FRASER: Mr. Chairman, in regard to that I understood you to say that a member is entitled to an official passport for himself and his family.

Hon. Mr. PEARSON: That is right.

Mr. FRASER: I asked about one last year and I was told that I would be a whole lot better off without one because if one had an official passport he might get into trouble.

Hon. Mr. PEARSON: Sometimes it is easier to travel on an ordinary passport. I have had that experience myself in going from Ottawa to New York or Washington. If I show an ordinary passport and say I am only going there for a couple of days I will get through in two or three minutes but if I show my diplomatic passport they may summon two or three other officials who are all so kind and courteous to me that it may take me about twenty minutes to get through!

Mr. FRASER: I was told that if I got an official passport I would have to get it for a definite journey and when I returned from that journey I would immediately have to return that passport to the passport office.

Hon. Mr. PEARSON: I will look into that. I did not know that was the case, but of course you will appreciate that a member of parliament might cease to be a member of parliament and therefore not be entitled to a passport of that type, so there has to be some check on it.

Mr. MUTCH: Mr. Minister, if you ever got that kind of treatment from immigration officials you should have taken their names and remembered them.

Mr. MURRAY: I applied for a passport and sent \$5, and they sent me back the \$5 and a very nice passport.

Hon. Mr. PEARSON: Our motto in our department is courtesy and service.

Mr. MUTCH: The only difference is I did not send \$5 but I got a passport.

The CHAIRMAN: Any further questioning on that subject?

Mr. JUTRAS: Mr. Chairman, I think the last time, if I am not mistaken, I understood the minister to say he would make a further statement on the International Joint Commission particularly with regard to the Mid-Western Watershed reference. I might elaborate a little on what I have in mind.

Hon. Mr. PEARSON: I wonder if you would permit me to postpone that matter until the next meeting. I am not quite ready with that.

Mr. JUTRAS: Might I say a few words on the particular point I have in mind? You remember last year the commission made the statement and gave us the assurance that they would really tackle this problem of flood control in the Red River Valley and so forth. I notice in the estimates of this year that is rather misleading because the amount expended is a little over \$7,000, which seems very little for any very serious effort on work of that magnitude. I think I know the answer, though, that it is partly due to the fact that the greater bulk of the work is to be done by some other agencies of the government. Possibly to get a clear picture and to bring this figure up to date as best you can could you give us a general picture of the work that is being done at the present time? When we compare that \$7,000 and the \$56,000 on the other reference it gives a clear picture.

Hon. Mr. PEARSON: I will try to clear that matter up.

Mr. GRAYDON: Mr. Chairman, may I ask a question of the minister the answer to which he may wish to give at the next meeting. I want to ask about the status of high commissioners as between the various units of the commonwealth. There was a news item some time ago,—perhaps two or three months ago—which indicated that at some either formal or informal commonwealth meeting the question of the status of the high commissionerships from one commonwealth country to another would come up and a decision was arrived at, and that there was some rumour at that time that an agreement had been reached among the members of the commonwealth to the effect that high commissioners would be placed in some similar position to that of an ambassador. I am wondering how far that has developed or what the present situation is with respect to it.

Hon. Mr. PEARSON: I speak from memory on this point but I do know that a change was made in the status of commonwealth representatives some time ago by which their position was made similar to that of a foreign ambassador and that they were allowed this status and the privileges and the dignity of ambassadorial status.

Mr. GRAYDON: And precedence?

Hon. Mr. PEARSON: And precedence, providing they desired it. They were, for instance, entitled to the designation "Excellency" under this change, if they desired it. The details of these changes I would have to bring to the next meeting. I think they now take their precedence in Ottawa according to their date of appointment; their seniority would be according to their date of appointment, and they have the same status as a foreign ambassador.

Mr. GRAYDON: Prior to that, was the high commissioner's position a somewhat lesser position in precedence than that of a foreign ambassador?

Hon. Mr. PEARSON: Yes, it was, and that was due to the fact that in a sense he had a more intimate position here.

Mr. GRAYDON: He had a sort of a family relationship.

Hon. Mr. PEARSON: He was not representing a king accredited to another Head of State; he was a representative of a government to another government. Technically speaking, he could not rank as an ambassador as long as he represented a government and not the head of a state. The fact that he was here representing a government put him in a closer relationship to the Canadian government in one sense than a foreign ambassador but in another sense it meant he did not get exactly the same precedence.

Now we leave it to the commonwealth representatives to decide what they want in this regard.

The CHAIRMAN: What would be the next subject now, Mr. Minister?

Hon. Mr. PEARSON: I think that deals with all the points I had in my notes for answering.

Mr. GRAYDON: Could I ask one more question? Has the permanent appointment been made yet with respect to the permanent representative of Canada at the United Nations?

Hon. Mr. PEARSON: No permanent appointment, and by permanent appointment I mean no final decision, has been made as to who will take Mr. Riddell's place. Mr. Holmes was sent down to New York on an acting basis, and it is our intention to bring him back to head the United Nations division here as soon as he can be replaced by a permanent appointment, an announcement of which will be made in a short time.

Mr. FRASER: Could I ask a question? I noticed in the New York Times last night that the Russians had shipped in to their section of Germany over 500 of their new, I believe they call them, MI jet planes which are supposed to be faster than our F-86's. Is there any restriction on armaments in their part of Germany?

Hon. Mr. PEARSON: There is a very special restriction on the shipment of armaments to Germany, to east Germany; in fact, there is a prohibition on such shipments.

Mr. FRASER: Well, how is it the Russians can ship in there these 500 jet planes?

Hon. Mr. PEARSON: Shipped into eastern Germany?

Mr. FRASER: That is what it says.

Hon. Mr. PEARSON: Eastern Germany is under Russian occupation and there is nothing to prevent them doing anything they like in that zone.

Mr. FRASER: They can do what they like?

Hon. Mr. PEARSON: Yes, they can rearm there, and they can rearm the eastern Germans. They have no control, however over the western zones.

Mr. FRASER: The United Nations have no control?

Hon. Mr. PEARSON: No, the Russians are occupying eastern Germany and they have the same rights of reinforcing their army of occupation there as the United States has of reinforcing its army of occupation in western Germany.

Mr. COLDWELL: What is our relationship with Yugoslavia now? Have we any representation there now?

Hon. Mr. PEARSON: We have an embassy there.

Mr. FRASER: A little louder please.

Hon. Mr. PEARSON: Mr. Crean is the chargé d'affaires. An ambassador has not now replaced the former ambassador who was transferred to Peru but we will be announcing an ambassador for Yugoslavia shortly. Our relations with that country are quite friendly.

Mr. COLDWELL: And our nationals may pass in and out of there easily?

Hon. Mr. PEARSON: Yes, there is very little difficulty in travel between Yugoslavia and our own country and that was one reason why it was not necessary to include Yugoslavia in that new passport regulation.

Mr. GRAYDON: May I ask if there are any plans in prospect for any member of the royal family to visit Canada in the near future?

Hon. Mr. PEARSON: I do not know of any plans for an early visit of any member of the royal family to Canada. The King and the Queen and, I think, Princess Margaret are going to Australia in the autumn, and I do not know of any plans for them to come to Canada subsequent to that visit.

The CHAIRMAN: Are there any further questions?

Thank you very much, Mr. Minister, indeed.

Before we adjourn I want to draw the members' attention to these two functions, a luncheon tomorrow at 12.30 in room 16 for the Moral Rearmament group and reception Friday afternoon at three-thirty at the Speaker's office for Mr. Trygve Lie.

Mr. FRASER: Will the minister be here again, Mr. Chairman?

The CHAIRMAN: Not likely.

Hon. Mr. PEARSON: I am available.

Mr. FRASER: In that case there is just one other question I would like to ask. The question is this: I notice in the press that the United States have cut their grant for the International Children's Emergency Fund to about one-third of their former grants. I wonder what Canada is doing in regard to that?

The CHAIRMAN: Will it be possible to hold a meeting on Friday at eleven o'clock in the morning? I ask this as a special favour. It will be almost impossible to have a meeting next Monday or Tuesday. Monday is the King's birthday.

Hon. Mr. PEARSON: Mr. Chairman, in answer to Mr. Fraser's question, the question of the Canadian grant to the United Nations International Children's Emergency Fund is still under consideration by the government. There will probably be a grant in the supplementary estimates covering that but I suspect it will be less than last year. The grant last year was \$600,000.

Mr. FRASER: Is it to be made in proportion to the American grant?

Hon. Mr. PEARSON: No, I would not like to say that. I do not think our grants in the past have been proportionate to those of the United States.

The CHAIRMAN: Do we meet on Friday?

Mr. FRASER: Mr. Chairman, on Friday there will be a number of members going to Chalk River. Let us have a meeting next Wednesday afternoon.

Agreed

Canada. External Affairs, Ministry
Committee on 1951

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SESSION 1951

HOUSE OF COMMONS

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

CHAIRMAN: MR. J. A. BRADETTE

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

WEDNESDAY JUNE 6, 1951

ITEMS 92 TO 111 INCLUSIVE AND ITEM 566

Main Estimates of the Department of External Affairs

SECOND AND THIRD REPORTS

WITNESS:

Mr. A. D. P. Heeney, Under Secretary of State for External Affairs.

OTTAWA

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1951

CORRIGENDUM

Minutes of Proceedings No. 4, 28th line thereof
status of Ambassadors should read
"status of High Commissioners"

MINUTES OF PROCEEDINGS

WEDNESDAY, June 6, 1951.

The Standing Committee on External Affairs met at 4 o'clock. Mr. J. A. Bradette, the Chairman, presided.

Present: Messrs. Bater, Bradette, Breithaupt, Coldwell, Decore, Fraser, Gauthier (*Lac St. Jean*), Graydon, Higgins, Lesage, MacInnis, MacKenzie, Macnaughton, Murray (*Cariboo*), Picard, Richard (*Ottawa East*), Robinson, Stick.

In attendance: Messrs. Heeney, Moran, Hemsley and Tovell.

Mr. A. D. P. Heeney was called. He tabled supplementary replies to questions previously asked by Messrs. Murray, Coldwell, Green and Fraser on

1. The United Nations Information Division
2. The status of refugees and stateless persons. The International Refugee Organization and its relationship with United Nations High Commissioner for Refugees
3. Paid subscriptions to External Affairs Monthly Bulletin
4. The Issuance of Special Passports

Mr. Heeney read supplementary statements on passports to the Soviet Zone of Occupation in Austria and on the status of High Commissioners in the Commonwealth countries.

The members of the Committee being called for a division in the House, the proceedings were suspended from 4.10 to 4.30.

Resuming, the witness completed the tabling of the above enumerated answers which were ordered incorporated in the evidence as was a promised statement on the International Joint Commission.

Mr. Heeney filed with the Clerk a document listing the statements and speeches put out by the Information Division of the Department in 1950.

The Committee continued its study of the Estimates:

Items 92 to 111 inclusive were adopted.

Item 566 was approved.

Mr. Heeney was particularly examined on Items 92, 93, 94, 95, 96, 98, 99, 100 to 104 and 106.

Mr. Moran supplied answers on Items 99 and 103.

An answer relating to Item 107 was ordered incorporated in the evidence.

The witness was questioned at some length on the assessments and contributions of member nations to the United Nations and on payments and arrears thereof.

On motion of Mr. Lesage,—

Ordered,—That the Chairman report back the Estimates to the House as approved.

The Chairman undertook to place a draft report before the Committee early next week.

Mr. Bradette expressed the Committee's appreciation to the Under Secretary and his assistants.

The witnesses were retired.

At 5.45, the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, June 12, 1951.

The Standing Committee on External Affairs met *in camera* at 10.30 o'clock. Mr. J. A. Bradette, Chairman, presided.

Present: Messrs. Bater, Bradette, Coldwell, Croll, Decore, Dickey, Gauthier (*Lac St. Jean*), Graydon, Jutras, Lesage, Murray (*Cariboo*), Quelch, Richard (*Ottawa East*), Robinson.

The Chairman submitted a draft report of the Agenda Committee which met at 10 o'clock this day.

The Committee considered the said draft as read by the Clerk.

A recommendation dealing with broadcasts to the Iron Curtain was allowed to stand for further draft.

At 11 o'clock, the discussion still continuing, the Committee agreed to adjourn until 4 o'clock this day to approve a final draft.

AFTERNOON SITTING

The Standing Committee on External Affairs met *in camera* at 4 o'clock. Mr. J. A. Bradette, Chairman, presided.

Present: Messrs. Bater, Benidickson, Bradette, Croll, Decore, Dickey, Fleming, Fraser, Gauthier (*Lac St. Jean*), Graydon, Lesage, MacKenzie, Quelch.

The Committee further considered the draft report.

After discussion, the paragraph concerning broadcasts to the Iron Curtain was adopted as amended.

The amended draft was adopted.

On motion of Mr. Croll, seconded by Mr. Dickey,

Resolved,—That the Chairman present, as amended, the report to the House.

At 4.45 o'clock, the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

REPORTS TO HOUSE

WEDNESDAY, June 13, 1951.

The Standing Committee on External Affairs begs leave to present its

SECOND REPORT

The House passed the following order on Monday, May 14:—

That votes 84 to 111 inclusive, and vote 566 of the main estimates 1951-52, be withdrawn from the Committee of Supply and referred to the said Committee, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

Your Committee has given consideration to the aforementioned estimates and approves them.

Your Committee recommends that the Government continue its efforts to help relieve the food shortage in India with such foods as are available, and acceptable to India.

Your Committee also recommends that future Canadian Delegations to the United Nations General Assembly continue to urge that the budgetary contribution which the Soviet Union and associated countries make be increased to figures which more closely correspond to their capacities to pay.

Your Committee further recommends that a closer liaison be established between the Department of External Affairs and the International Service of the Canadian Broadcasting Corporation with a view to ensuring, in the interests of the free way of life, the maximum effectiveness of broadcasts directed to the peoples behind the Iron Curtain.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

FRIDAY, June 15, 1951.

The Standing Committee on External Affairs begs leave to present its

THIRD REPORT

Your Committee now tables a printed copy of its minutes of proceedings and evidence.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

EVIDENCE

JUNE 6, 1951.

The CHAIRMAN: Gentlemen, we have a quorum. Mr. Heeney will begin by tabling answers to questions and then we will proceed with the estimates. I think we have done pretty well so far and we have reached the stage where we will see an early end to our activities, if it is possible to have at least one meeting, or perhaps two, before this week is over.

Some members will be unable to attend but they have suggested we go ahead. It is impossible for all members to be here at the present time and they will have to go to the record of our deliberations to find whether their questions have been answered.

Mr. STICK: There are a lot of committees meeting.

The CHAIRMAN: Yes, and we have to do the best we can.

Mr. STICK: I think Friday is a good day for meetings.

The CHAIRMAN: We cannot have any meeting tomorrow. I asked several members but they have other work and personally I would favour a meeting on Friday at 11.00 o'clock.

Mr. STICK: Perhaps we can have two meetings.

The CHAIRMAN: We might have one—a lot of members leave on Friday afternoon. We might then have another meeting on Monday and that would be nearly the end. I do not say that to rush things but I think the work has been accomplished.

Mr. BATER: I suppose Saturday would be out of the question. I would like to see a meeting on Saturday.

The CHAIRMAN: I would like to see one myself.

Mr. BATER: I would throw it in as a suggestion.

Mr. FRASER: Throw it in, but it will be thrown out again.

Mr. BATER: Well, quite honestly, I believe this is important and that we should get the work of this committee completed.

Mr. STICK: I think so too; get at it and get it cleaned up. We are all members of other committees and one interferes with another.

Mr. BATER: People like to have Saturdays off, but I would be willing to sit for an hour or two on Saturday. I suppose the staff would not like that.

The CHAIRMAN: It is seldom done—but the staff will be here all right.

Mr. STICK: When do you plan completing the work.

The CHAIRMAN: It is left in the hands of the members of the committee. Personally I would like to see it completed fairly early next week, by having one or two meetings at the most. I believe that is possible because we have now reached item 92 and some of the heaviest items have been passed.

Mr. STICK: I do not wish to rush things if anyone has anything to bring up that will benefit the department and the committee but, if we can get right on with our business and deal with it in a businesslike way—and not have too much chin wagging—we can do it.

**Mr. A. D. P. Heeney, Under Secretary of State for External Affairs,
called:**

The WITNESS: Mr. Chairman, there are a few questions by members of the committee of which note was taken. I might begin by attempting to answer Mr. Murray's question concerning information from the United Nations information service. Mr. Murray had reference to printed materials and the like.

In addition to its responsibilities in the fields of radio, television and films, the Department of Public Information of the United Nations produces a wide variety of printed material on every aspect of U.N. activities. This material may for convenience be divided into four principal sections of which the first two (press releases and feature service) are distributed free and the second two are for sale:

- (a) *Press Releases.* Every meeting of the organs, agencies and committees of the United Nations is recorded in mimeographed press releases, is made available to the world press, and distributed by teleprinter service and other distribution media to member states of the Organization. Copies of these releases are received daily in the Department of External Affairs;
- (b) *Features Service.* The Department of Public Information is responsible for producing feature articles or "clip sheets" on all phases of United Nations activities. These articles, which are normally on subjects of topical interest, are provided on request to all newspapers and news agencies and are also made available to member states through their Delegations in New York. Whenever, for example, a new project is launched or a newsworthy event takes place which bears a special interest or relationship to the United Nations, the "feature service" is a means of ensuring that word of any such development is disseminated on a world-wide basis;
- (c) *Periodical Publications.* The more important periodical publications issued by the Department of Public Information are the following:
 - (i) The United Nations Bulletin—a printed record of U.N. events and meetings, published on the 1st and 15th of each month;
 - (ii) The United Nations Yearbook—a comprehensive, factual account of the proceedings of all United Nations organs and agencies, published on a yearly basis;
 - (iii) The Handbook of the United Nations and the Specialized Agencies—a compact summary of the structure and functions of all organs, agencies and subsidiary bodies of the United Nations, now in its third edition;
- (d) *Other Publications.* In addition to periodicals, the Department of Public Information prepares booklets, background papers, reports of meetings and other relevant summaries, for sale to the public.

The amount set aside in the United Nations Budget for the Department of Public Information for the financial year 1951 is \$2,687,000. It should be noted, however, that this figure includes the substantial costs involved in United Nations radio, television and film activities, which are not discussed in reply to this question.

The CHAIRMAN: Is there any more information you would like?

By Mr. Fraser:

Q. I would just like to ask Mr. Heeney whether that is a reduction from a year ago?—A. I have not got that figure but I could get the information for you. My impression is that it is a reduction because most of these services were reduced a bit last year.

Q. I understood you to say that the printing has been considerably cut?—A. We were then talking about the Department of External Affairs in Ottawa.

Q. But I thought you said the United Nations also?—A. No, that had reference purely to our own department.

The CHAIRMAN: I hear the division bell and we will have to postpone matters for a few minutes.

On returning from the House:

The CHAIRMAN: We will now resume. Are there any more questions, Mr. Fraser?

Mr. FRASER: No, I was asking about a reduction in the United Nations literature.

The WITNESS: I replied that my impression was that this is rather less than last year, but I would have to check that.

The other day Mr. Coldwell asked a number of questions concerning refugees and stateless persons. Perhaps in his absence I might put this on the record. The answers are rather lengthy and perhaps that would serve Mr. Coldwell's and the committee's purpose.

The CHAIRMAN: Would that be satisfactory?

Agreed.

The WITNESS: One statement had to do with the United Nations conference of plenipotentiaries on the status of refugees and stateless persons.

During its Fifth Session, the General Assembly decided to convene, in Geneva, a conference of plenipotentiaries to complete the drafting of and to sign both the convention relating to the status of refugees and the protocol relating to the status of stateless persons. This conference will take place in Geneva commencing July 2. The head of the consular division, will be the Canadian representative and he will be assisted by an officer from the Canadian permanent delegation in Geneva.

2. The convention which this Conference will consider was drafted in the first instance by an ad hoc committee of the economic and social council. This committee held its first session at Lake Success in January and February 1950 under the chairmanship of Mr. Chance. It held its second session in Geneva in August 1950 and reported to the Fifth Session of the General Assembly. The economic and social council, at its summer session in 1950, only discussed the clause determining what categories of refugees would come under the scope of the convention. The General Assembly also discussed this definition clause and recommended a compromise definition for the consideration of the Conference. The other clauses of the convention were not considered by the Assembly.

3. The refugee convention was designed to guarantee to refugees the enjoyment of fundamental rights and freedoms without discrimination. The purpose of the protocol of stateless persons is to extend the rights covered by the convention to persons who are stateless, but who are not refugees. The draft convention, as it now stands, covers a considerable number of rights which will be extended to refugees by those countries which decide to adhere to it. There are general articles such as the one on discrimination which states that no contracting state shall discriminate against a refugee within its territory on account of his race, religion, or country

of origin, or because he is a refugee. There are other more specific clauses which, in some cases, call upon contracting states to grant refugees similar rights to those given to their own nationals, and in other cases, rights similar to those given to other aliens. Examples of these rights are those concerning the acquisition of property and leases and other contracts relating to property; rights concerning the protection of industrial property such as inventions, industrial designs, trademarks and trade names; rights of association; the right of free access to the courts of law; and the right to engage in wage earning employment and self-employment. Contracting states are asked to grant refugees the same rationing privileges as nationals and to treat them not less favourably than aliens in matters pertaining to housing. There are other clauses dealing with such matters as public education, public relief, labour legislation and social security, freedom of movement, identity papers and travel documents.

4. The definition of refugee which the Assembly approved and which the Conference is free to accept, modify, or reject, represents a compromise reached by those countries which preferred a narrow category type definition and those which preferred a broad definition. Canada is in the latter category. In brief, the definition recommended by the Assembly, if adopted, would cover any person who, as a result of events occurring before January 1, 1951, is outside the country of his nationality or former habitual residence because of "well-founded fear of being persecuted for reasons of race, religion, nationality, or political opinions" and who is unable, or unwilling, to return to or to accept the protection of his former government. Among those excluded are persons having the rights and obligations of citizens in their countries of residence; those benefitting from other United Nations Agencies such as the Palestine refugees; war criminals; and persons guilty of non-political offences or acts contrary to United Nations principles.

The second question had to do with the related question of measures being taken to liquidate the International Refugee Organization.

At its April session, the General Council of the International Refugee Organization unanimously adopted a resolution authorizing the Director-General to continue the approved operational programmes of the Organization beyond September 30, 1951 (the previous cut-off date) for so long as the existing realizable resources of the Organization permit and there are left any refugees within the mandate of the Organization who require resettlement assistance, and for whom resettlement opportunities can be found. The Director-General estimates that the present financial resources of the Organization will be exhausted about the end of 1951 and that its activities will, therefore, be terminated during the first quarter of 1952. Member governments have not been asked for additional contributions to finance this additional period of operations.

Mr. GRAYDON: "Liquidation" has a significance which perhaps should not be applied.

The WITNESS: Perhaps it is the wrong word to describe the bringing about of the end of the activities of the International Refugee Organization.

The third question had to do with the relationship of the International Refugee Organization and the United Nations High Commissioner for Refugees.

The primary functions of the International Refugee Organization have been repatriation, identification, registration and classification, care and assistance, legal and political protection, transportation, resettlement and re-establishment. These functions have been carried out in respect to the following classes of refugees: persons who are outside of their countries of nationality, or of former habitual residence, and who were

victims of the Nazi, Fascist, or Falangist regimes, or who were considered refugees before the outbreak of the Second World War for reasons of race, religion, nationality or political opinion. The IRO Constitution specifically excluded certain groups of refugees, notably persons of German ethnic origin.

The General Assembly decided to establish the Office of High Commissioner for Refugees so that the important function of providing international protection for refugees would be continued after the IRO was dissolved. The promotion of legal and political protection for refugees was one of the functions of the IRO. It is the main function of the new High Commissioner for Refugees. His work will be entirely non-political and will be concerned, as a rule, with groups and categories of refugees, instead of with individuals who may appeal to him for assistance. The High Commissioner will endeavour to promote the inclusion and ratification of international conventions for the protection of refugees, supervise their application and, if necessary, propose amendments to them. One of the first conventions of this nature which will receive his attention will be the United Nations Convention on Refugees and the Protocol on Stateless Persons. In addition, the High Commissioner will endeavour to improve the state of refugees by promoting special agreements with governments to improve the conditions and to reduce the number of persons requiring protection. He will assist governments and private organizations in their promotion of voluntary repatriation or assimilation. He will call upon governments to admit refugees and he will co-ordinate the efforts of all private organizations concerned with the welfare of refugees.

At the present time, the High Commissioner is not empowered to administer relief, or provide for the care and maintenance or transportation of refugees. These will be the responsibility of the interested governments. On the other hand, he is empowered to administer any funds which he may receive for assistance to refugees by distributing them to those private and public agencies which are best qualified to administer such assistance.

The High Commissioner will have more refugees coming within his limited terms of reference than did the IRO. In brief, he will be empowered to exercise his responsibilities with respect to all international political refugees who are outside the country of their nationality, or former habitual residence, because of fear of victimization by reason of race, religion, nationality, or political opinions, and who are unable or unwilling to return to, or to accept the protection of, their former government. There are certain exceptions such as persons having the rights and obligations of citizens in their country of residence, those benefiting from other United Nations agencies, war criminals and persons guilty of certain offences.

The High Commissioner, Dr. Van Heuven Goedhart, has been working in close co-operation with the IRO since he opened his office on January 1, 1951.

Then, I think it was Mr. Green who asked the number of paid subscriptions to the department's monthly bulletin, External Affairs. The answer is 5,741, which includes subscriptions in Canada of the United Nations Association numbering 3,900. That is to say there are 1,841 in addition to the United Nations Association subscriptions.

Another question had to do with speeches put out by the information division of the department in the Statements and Speeches series in the past year. I might perhaps just file that with the clerk of the committee if it is agreeable.

Agreed.

Mr. GRAYDON: Does the statement include the deputy minister's speeches?

The WITNESS: Yes, Mr. Chairman—two of them.

Another question had to do with or arose out of a statement made by the minister at one of the last meetings at which I was not present, concerning notice to travellers to Iron Curtain countries. The question was asked why the Soviet zone of occupation in Austria was not included in the notice to travellers' list. There are two reasons, first: the jurisdiction of the Austrian government extends to all zones. This is a very different situation from that which exists in the case of the Soviet zone of occupation in Germany.

The second reason is: the entry of Canadian citizens to the Soviet zone in Austria is governed by the grey permit card system and these cards are issued to Austrian citizens by the passport office in Ottawa.

A related question had to do with the issue of special passports.

Special passports issued to Justices of the Supreme Court, members of the Senate and House of Commons, members of Provincial Cabinets and members of the immediate family travelling with them, are made valid for five years and may be retained by the persons to whom issued while they possess the qualifications which permit the issuance of the special document.

Special passports issued to government officials and private citizens for the purpose of enabling them to represent Canada at international conferences or to go abroad for the purpose of attending to official duties, are normally made valid for not more than one year and are to be surrendered to the Passport Office on completion of the mission. They are held uncanceled in the Passport Office for re-issue should the persons named in them again be sent abroad in an official capacity.

The CHAIRMAN: Are there any questions about the answer?

Mr. FRASER: Yes. When was the change made regarding official passports?

The WITNESS: About a year ago. I have not the date with me but it was during 1950 and Mr. Moran thinks it was about September. My recollection is it was somewhat earlier.

Mr. FRASER: A little over six months ago.

By Mr. Picard:

Q. May I ask whether you have any recollection of Canadian citizens who have had difficulty entering Vienna or the Russian zone of Austria, or is it just a matter of getting the grey card?—A. As far as I know there has been no complaint or difficulty. It is not difficult if legitimate identification and so on is made.

Q. Even if a person is not going there officially? You mean that is so for a Canadian who wants to go to Vienna or the occupied zone—they can get a grey card if they know where to apply?—A. We have run into no difficulty.

Q. The ordinary citizen can do that?—A. That is my impression, but I can corroborate that.

The answer to the question about the date on which the passport regime was altered is May 1950.

By Mr. Fraser:

Q. You mention the fact that the passports for members of parliament are good for five years?—A. Yes, sir.

Q. Supposing a person ceases to be a member of parliament?—A. He is no longer entitled to it.

Mr. LESAGE: Mr. Heeney covered that point in the first part of his answer.

The WITNESS: The next question on which I have a note is one addressed to the minister regarding the status of high commissioners in commonwealth countries.

Following discussions on the subject at the meeting of commonwealth prime ministers in London in 1948, high commissioners in all commonwealth countries have been equated with ambassadors. As they do not present Letters of Credence, they take precedence with ambassadors in the diplomatic list according to their date of arrival in the capital. It was however agreed in London that the position of the Dean of the Diplomatic Corps would continue to be held by the senior foreign ambassador.

High commissioners are granted the style "excellency" and enjoy the same privileges as ambassadors.

Within the Canadian foreign service, no distinction of rank is made between the various types of head of mission designations and there is a complete interchangeability of posts. Consequently, ambassadors have been sent to new posts as high commissioners, ministers of consuls general and vice versa. The same general practice may be said to exist in other commonwealth countries with the exception of the United Kingdom where high commissioners are appointed from the commonwealth relations office.

Mr. PICARD: Is it in order to ask questions on the matter of passports, or has it been covered?

The CHAIRMAN: It has been covered. We had it the other day but you can ask a question now; there would be no objection.

Mr. PICARD: It is still in order?

The CHAIRMAN: We passed the item.

Mr. PICARD: I just want to know whether there is an explanation of who gets the official passports?

The WITNESS: I think the minister put that on the record with the exception of the footnote I added today.

Mr. HIGGINS: Is there any difference in the status of high commissioners to commonwealth countries?

The WITNESS: No, sir. They have the status accorded to foreign ambassadors.

Mr. HIGGINS: Among themselves?

The WITNESS: They rank in precedence according to the date of their arrival in the capital in which they serve.

By Mr. Graydon:

Q. What about our representative in Karachi. Is our representative at Karachi on all fours with our high commissioner in New Delhi?—A. Yes, sir. They are both high commissioners.

Q. There is no one at Colombo?—A. We have no high commissioner at Colombo. Mr. Chipman, high commissioner in New Delhi is also accredited in Ceylon, and we have a trade commissioner in Ceylon.

Q. Who is our man in Karachi?—A. D. M. Johnson.

Q. Ranking as a high commissioner?—A. Yes, sir.

Q. To Pakistan?—A. Yes, sir.

I think those are all the questions I had taken note of.

The CHAIRMAN: Well, we had reached item 92, Canadian section of Canada-United States permanent joint board on defence.

Shall the item carry?

Carried.

Item 93, grant to the United Nations Association in Canada?

Mr. FRASER: Mr. Chairman, the fee for belonging to United Nations Associations—I mean the associations across Canada—is \$3. I really believe that is too high because the local associations, I understand are only allowed to keep \$1 and the other \$2 comes to Ottawa. In order to increase the membership is there any way that you could suggest to the United Nations organization that the membership fee could be reduced in order to get a larger number of members?

The WITNESS: Mr. Chairman, I do know that the United Nations Association, as the committee will recall from the evidence presented last year, has difficulty in financing on the basis of the \$3 with the \$1 holdback. The central office of the United Nations Association, toward the upkeep of which the \$2 goes, does I think, have difficulty in operating with that revenue which, with the addition of the government grant, constitutes its sole revenue as far as I am aware. I therefore think it would be difficult for them to call for less from the local branches.

By Mr. Stick:

Q. They are a non-government body?—A. Completely, yes.

Q. We have no jurisdiction over the fees they charge?—A. No, sir.

Mr. FRASER: No, we have no jurisdiction.

Mr. COLDWELL: There is one way in which members of parliament may increase membership; that is by impressing upon their constituents, when they meet with them, the value of membership in the local United Nations Association. I know I do that.

Mr. HIGGINS: In how many provinces are there associations?

The WITNESS: I think in every province. I speak subject to correction but I am virtually certain of it.

By Mr. Stick:

Q. I do not think there is one in Newfoundland; I never heard tell of it.—

A. I am not certain.

Q. I have not heard of it.

The CHAIRMAN: Shall the item carry?

Carried.

Item 94, grant to the Canadian Red Cross Society.

Mr. BATER: Is this grant made now owing to the Korean war? It appears there was no grant in the two previous years?

The WITNESS: I might say something about that, Mr. Chairman. Canada ceased to contribute to the international committee of the Red Cross in 1948 due to the fact that the international committee had ended its activities relating to Canadians. The United Kingdom had taken a similar stand in 1947. It has now become apparent that the international committee cannot maintain itself in a state of adequate preparedness for assuming the tasks which are assigned to it in connection with the practical application of the Geneva Convention, unless financial help is forthcoming from Governments signatory to those Conventions.

Mr. COLDWELL: Is it that long since we gave any grants? What is this grant to Fairfield Trust Committee in 1951?

The WITNESS: If I may have a moment I can get that information. It was in connection with a Canadian-United States celebration.

Mr. MACKENZIE: It is on the border between United States and Canada.

The WITNESS: I think it was in connection with the dedication of a park in Fairfield. There was an international ceremony held in which Mr. McNicol was very interested and the federal government contributed.

Mr. GRAYDON: It had to do with the history of the Moravians.

Mr. MACKENZIE: It was really a peace memorial between Canada and the United States.

The CHAIRMAN: Item 95, United Nations organization, specialized agencies.

By Mr. Fraser:

Q. This is just United Nations organizations? Could we be told just exactly what the United Nations organization membership cost is, the membership, and the representation, and the whole set-up? Have you got that?—

A. Yes, sir.

Q. That is counting External Affairs representations there, what it costs Canada and is it going to cost us any more on account of having the meeting this year in Paris?—A. Perhaps I should answer the last part of your question first. There will be substantial additional costs, Mr. Chairman, because of the decision taken by the Fifth Assembly to meet in Paris instead of at the headquarters. I am not certain of the actual amount but the amount is very substantial. The Canadian delegation opposed the proposal to have the sixth session of the Assembly in Paris but were unsuccessful in their efforts. The general question of the costs to Canada this year as compared to last year is answered by a comparison of the two columns in the Blue Book of Estimates. This year our contribution to the United Nations organization will be \$1,466,100, and in the previous fiscal year it was \$1,343,700. This is the result of a re-apportionment of the assessment which raised our percentage of assessment from 3.2 per cent to 3.3 per cent of the total.

By Mr. Graydon:

Q. Our percentage of assessment is way out of line with the percentage of the assessment for one of the so-called great powers. It has been a matter of great concern to the members of this committee on previous occasions, and I think to the government, that we should be paying that percentage while I think Russia pays something over 6 per cent. I am only speaking from memory, perhaps it is 7 per cent.—A. 6.34 per cent in the previous fiscal year and that has been raised to 6.98 per cent.

Q. That is a scandalous increase. What is it—a fraction of 1 per cent?—A. Well, either Russia is a great power or she is not, and if she is a great power then she ought to pay her fair share of the United Nations organization—and she does not.

When you think of it, the United Kingdom pays something over 12 per cent. I realize the United States pays the great bulk but it seems to me this is one of the scandals of the United Nations organization—that Canada with something like 14 million people pays just about half of what Russia pays with 180 million people.

I have brought it up on occasions before and I know the government here is concerned about it. I hope we will continue in the United Nations budgetary meetings to try and get our position into some kind of relation with that of the Soviet Union. I think they are getting away with murder so far as their contributions to the United Nations organizations are concerned. If you were to put it on the basis of the time they take up and the obstacles they put in the way of the organization's activities they ought to be paying pretty nearly the whole thing.

Mr. MURRAY: I see that China pays nothing?

The WITNESS: The nationalist Chinese government is in default in contributions toward a number of specialized agencies. I am not too sure where she stands on contributions to the United Nations generally, although I think I should perhaps say a word in answer or in comment to the observations by Mr. Graydon.

As Mr. Graydon will be aware, the point of view which he has expressed is that of the government and of successive Canadian delegations to the United Nations.

Mr. STICK: It is his annual view.

Mr. COLDWELL: His permanent view.

The WITNESS: A serious attempt has been made through the administrative and budgetary committee of the United Nations, when this matter is under discussion or can be brought up for discussion, to have a re-examination of the scale of assessment. In 1950, last year, the scale was modified for the first time since it was originally set. The modifications were pretty modest although they were, however, in the right direction. The benefit of this additional contribution assessed to the Soviet Union and the satellite countries went to the United States, because one of the objectives which the administrative and budgetary committee has formulated is that no one country should pay more than one-third of the total budget. This will help to reduce slightly the United States contribution in this direction.

Mr. ROBINSON: What is Canada's exact percentage now?

The WITNESS: 3·3 per cent.

Mr. FRASER: And the United States percentage is 39· something.

The WITNESS: 39·89 it was and it has been brought down to 38·92.

Mr. STICK: What is this based on—not population?

The WITNESS: It is based on a very complicated formula, the essence of which is stated to be the capacity to pay. The statistics which they have been able to obtain from the nations hitherto, have not been regarded by most members of the administrative and budgetary committee as very satisfactory. Capacity to pay is the criterion but that is subject to modification on certain principles of which one is war damage and dislocation of economy as a result of the war. It was, of course, contended by the Soviet Union and other countries that were invaded, that they had suffered substantial material damage, and that was the basis of the reduction below a straight national income basis.

Mr. GRAYDON: Any country that can afford to keep 178 divisions of armed forces ought to be able to pay more than 6 and a fraction per cent of the United Nations organization's expenses. When you are talking of national income I think the Russians stand on pretty poor ground, as they often do on many matters, when they seek to have some reduction in their basic proportion of payment on the basis of the fact that they have not got the national income to do it. They have a national income sufficient for a lot of other things and I think that ought to be taken into consideration as one of the factors, and a main factor. If they can spend a tremendous sum of money on preparation for war surely they ought to be made to pay more for the preparation for peace. That is my point.

The WITNESS: That argument was made very strongly by the Canadian representatives on the contributions committee and, in addition to that, the argument by the Canadian representatives pointed out that the statistics which were being put out by the USSR involved pretty substantial claims for impressive post war recovery—which is also a related point.

The CHAIRMAN: Also Russia is sending students to various universities to pollute the minds of people of the other nations of the world and that must cost a lot of money too.

Mr. MURRAY: I suggest that you hold a meeting of the United Nations in Russia and arouse the interest of the Russians over there.

Mr. RICHARD: What about the South American countries? What are their contributions?

The WITNESS: I might perhaps give two or three examples in answer to that question. Argentina has for 1951 an assessment of 1·85 per cent. Brazil is exactly the same, 1·85 per cent.

Mr. LESAGE: Their national income is low.

Mr. GRAYDON: I wonder, Mr. Chairman, if the deputy minister would have the figures or information on the arrears on assessments for contribution by various countries. All of these countries do not always pay their debts.

Mr. COLDWELL: The assessments are in American dollars?

The WITNESS: Yes.

There are a number of countries, notably China, in arrears for contributions for 1949-1950. I think the assessments are paid up fully to the end of 1948, but for 1949-1950 there are some arrears and the principle nations in default for 1950 contributions are as follows:

Argentina, \$612,500 in round figures; Iran, \$150,000 odd.

Mr. GRAYDON: Iran will be able to pay now.

The WITNESS: India, \$140,000; Columbia, \$126,000; Poland, \$100,000; Cuba, \$94,000; Czechoslovakia, \$95,000.

Mr. COLDWELL: Those are American dollars?

The WITNESS: Yes, expressed in American dollars. The remaining states owe amounts less than \$66,000—and in some cases they are very small amounts.

Mr. COLDWELL: How long may they be in arrears before they are in default? China has been in arrears two years?

Mr. BATER: Are there any rules for dropping them from membership for lack of payment?

Mr. LESAGE: In each of the cases mentioned by Mr. Heeney the amount of the arrears is less than the total contribution for 1950.

Mr. COLDWELL: You were on that committee, Mr. Lesage?

Mr. LESAGE: No, it was Mr. Dickey and Mr. Elliott and they did whatever they could, especially when Mr. Mitchell Sharp came down to New York to try and convince the committee it was not fair to Canada.

The WITNESS: In answer to the question about regulations I might make this brief answer, and I am reading from page 152 of Canada and the United Nations 1950.

To prevent arrears from reaching dangerous proportions, the constitution of the United Nations and the agencies provide that, under certain conditions, voting rights and certain other privileges may be suspended where members have not fulfilled their financial obligations to the organization. In application of this provision, ICAO in 1950 suspended the voting rights of six of its members pending settlement of their arrears. During the year, UNESCO and ICAO also took steps to strengthen the constitutional provision for the "suspension of vote".

The CHAIRMAN: Shall the item carry?

Carried.

Item 96. Food and Agricultural Organization of the United Nations.

By Mr. Fraser:

Q. Is this organization meeting in Rome this year?—A. Its headquarters have been moved to Rome recently.

Q. Why do they not have their headquarters in—

Mr. STICK: Canada?

Mr. FRASER: No, in the United Nations building.

The WITNESS: There are a number of factors in the decision taken by this agency to establish headquarters in Rome. I do not know to what extent it is relevant in this case, but of course, the present accommodation is insufficient to include all the specialized agencies. Some are located in Geneva, and this I think is the first one in Rome. There is one, of course, in Montreal.

Mr. COLDWELL: Is it not more or less a tradition that the farm groups be in Rome? I remember that before the war there was a Rome agreement on wheat.

Mr. MURRAY: The International Agricultural Foundation. Rome was the traditional headquarters for that international agricultural body.

The WITNESS: Was it not called the "Institute"?

Mr. MURRAY: "Institute" was it?

Mr. COLDWELL: I remember meetings were held there.

Mr. MURRAY: There were worldwide ramifications.

Mr. BATER: You mentioned Montreal, what world organization is there?

The WITNESS: ICAO.

The CHAIRMAN: Shall the item carry?

Carried.

Item 97, International Labour Organization?

Shall the item carry?

Carried.

Item 98, United Nations Educational, Scientific and Cultural Organization.

By Mr. Graydon:

Q. Before you carry that, what is the situation with respect to UNESCO and the commission here in Canada?—A. Mr. Chairman, there is no national commission for UNESCO in Canada. As the committee may have remarked, this matter is the subject for recommendation in the recent report by the royal commission, known as the Massey Commission. Hitherto, coordinating work with national voluntary organizations, those in the cultural and scientific field, has been done within the Department of External Affairs through the information division.

By Mr. Coldwell:

Q. How are the delegates chosen, by the government?—A. By the government, yes.

Q. Recommendations are received?—A. Yes, recommendations are received from voluntary organizations such as the Canadian Adult Education Association—

Q. The Canadian Teachers' Federation?—A. The Canadian Teachers' Federation, and so on. We are in quite close contact with these associations which have been, of course, of the greatest help and assistance to us in working out the problems of Canadian association with UNESCO.

Mr. GRAYDON: What are the main factors that have led to delay in setting up the commission in Canada?

The WITNESS: Well, Mr. Chairman, I am not sure that I am the one to answer that. It is a matter of government policy. It has been stated on a number of recent occasions by members of the government that until the Massey Commission has reported the government was not prepared to make a decision whether or not to appoint a commission for UNESCO.

Mr. COLDWELL: We have asked questions on it in the House for a number of years, but not lately because of the answer you have just given.

By Mr. Graydon:

Q. Are there some obstacles in the way?—A. I think, Mr. Chairman, that I might go as far as this. There have been differences of opinion as to how such a national commission should be constituted, and what organizations should be associated with such a commission. After operating through the department for some number of years one of the reasons, if not one of the principal reasons for the government deciding to have the inquiry made by the Massey Commission, was to get advice as to what steps should be taken.

Q. Is there any dominion-provincial obstacle with respect to relations between the provinces and the dominion in connection with it?—A. I do not think there is any dominion-provincial obstacle. It is of course evident that many of the subjects of interest to UNESCO are within provincial jurisdiction and provincial interest — particularly education.

Mr. HIGGINS: Is Russia participating in UNESCO at all?

The WITNESS: No.

The CHAIRMAN: Shall the item carry?

Carried.

Item 99, International Civil Aviation Organization.

Mr. GRAYDON: I would like to ask a question in connection with ICAO. Does the zoning of airports come under the International Civil Aviation Organization?

The WITNESS: I will ask Mr. Moran to answer that.

Mr. MORAN: I am not quite clear what Mr. Graydon means by zoning of airports. There are airports in various parts of the world where ICAO advises on the facilities that should be established. Greenland is one, and there are some out in the far east.

Mr. GRAYDON: My point did not have to do with Greenland; it had to do with Malton. My understanding is that through ICAO there has been some agreement made on an international level to which Canada is a signatory. Landing fields known as I.L.S.—instrument landing systems—which includes the larger ones, are covered by some zoning of adjoining properties. I would be glad to know whether Mr. Moran knows how that fits?

Mr. MORAN: No, as far as I know, ICAO's concern with airfields relates solely to the facilities. They set the standards which must be met but they do not provide equipment or pay for it, or pay for maintenance or supervision. They do get agreement on standards. One reason is so that there may be uniformity thus enabling an aircraft leaving Europe equipped with a certain style of radio direction finding equipment to use such equipment for landing in Canada at say Malton.

Mr. GRAYDON: My question has to do with the fact that a bill introduced in the House, but which has not been debated yet, is an amendment to the Aeronautics Act. I suspect it is an attempt to bring the major I.L.S. airports in Canada within the regulations which have been set by the International Civil Aviation Organization?

Mr. MORAN: I am not familiar with that bill. It would come forward from the Air Transport Board.

Mr. COLDWELL: The actual landing rights and so forth are a matter of agreement between the countries?

The WITNESS: Bilateral agreement.

Mr. GRAYDON: I do not think this is a bilateral agreement; I think it is general agreement, you will find.

Mr. COLDWELL: I think they are bilateral.

Mr. MORAN: Canada has entered into a number of bilateral agreements which cover the rights to fly certain routes, customs procedures and so on. I think Mr. Graydon is referring to the established standards such as length of runways, type of directional finding equipment, and so on, which are required at the various airports—

Mr. GRAYDON: And the zoning regulations?

Mr. MORAN: —if they are to be used for international operations.

Mr. HIGGINS: Was that not the subject of a convention?

Mr. LESAGE: The question Mr. Graydon raises is covered on page 109 of the book "Canada and the United Nations 1950". It says that during the year Annex 9 to the Chicago convention on international civil aviation came into effect. Two further annexes were produced and approved for adoption by member states. Annex No. 11 on air traffic service contains standards and recommended practices concerning the establishment and operation of air traffic services, that is to say air traffic control, flight information, and alerting services.

Mr. FRASER: It also deals, Mr. Chairman, with buildings outside of airfields which must be regulated. Each building is regulated as to distance from the end of the runway.

Mr. LESAGE: It is quite possible the recommendations will be accepted by other countries.

Mr. COLDWELL: Is Russia in this?

Mr. MORAN: Poland is in it and also Czechoslovakia. I think they are the only two.

The CHAIRMAN: Does item 99 carry?

Carried.

Item 100 "World Health Organization".

Mr. FRASER: I wonder if Mr. Heeney would just say what this organization is doing now?

The WITNESS: The World Health Organization, is a specialized agency of the United Nations, of course. Perhaps I can do no better than to quote from page 122 of the book entitled "Canada and the United Nations 1950" as follows:—

... The Organization contributed considerably towards the eradication of such ancient scourges as cholera and malaria, and continued successfully the work commenced in 1949 such as "health demonstration centres" and joint action with other Specialized Agencies, particularly the Food and Agriculture Organization, and the United Nations International Children's Emergency Fund.

Mr. FRASER: The headquarters of this organization is in New York?

The WITNESS: No. The headquarters is in Geneva.

Mr. BATER: Do they meet annually?

The WITNESS: The central agency or council meets once a year.

Mr. MACINNIS: Did Canada make a contribution last year?

The WITNESS: Yes. I am informed we did. It does not appear in the main estimates. It was included in the final supplementary estimates for the preceding year.

The CHAIRMAN: Does the item carry?

Carried.

Item 101 "Commonwealth Economic Committee".

Mr. GRAYDON: With respect to the Commonwealth Economic Committee, how often has it sat during the last fiscal year?

The WITNESS: I cannot answer the question as to how often the committee has sat although I can obtain that information. But the Commonwealth Economic Committee is, perhaps more important as a clearing house, through the operations of the staff that are available to the committee rather than as a deliberative body. It is not a deliberative body. The committee was founded in March, 1925, as a result of a suggestion made at the Imperial Economic Conference of 1923. The present membership now includes Canada, Australia, New Zealand, South Africa, India, Pakistan, Ceylon, Southern Rhodesia and the Colonies. Canadian representation is provided by the High Commissioner's office in London.

Mr. GRAYDON: And they meet in London?

The WITNESS: Yes, sir. The work of the committee has been to bring up to date the seven volumes of the Commodity Series published annually pre-war so as to provide in respect of the war and post-war years the chief statistical data on world production and trade of groups of allied commodities of importance to the Commonwealth; and secondly, the resumption, as circumstances permitted, of the periodical intelligence services which published at weekly, monthly, or quarterly intervals as the case might be, up to date market intelligence on various commodities of interest to Commonwealth countries.

Mr. BATER: There was no special staff set up in connection with it at all?

The WITNESS: There is some staff on duty in London, and it is for that purpose that the funds are being asked.

Mr. GRAYDON: On what basis are the various assessments made against the commonwealth in connection with the expenditures of this committee?

The WITNESS: Canada contributes 16 per cent of the total; the United Kingdom contributes 35 per cent; Australia contributes 14 per cent, and the others contribute limited amounts.

The CHAIRMAN: Shall the item carry?

Carried.

Do you want to know the number of sittings, Mr. Graydon?

Mr. GRAYDON: I understand that that information is going to be put on the record.

The WITNESS: I shall ascertain that information for the committee.

The CHAIRMAN: Item 102 "Commonwealth Shipping Committee". Shall the item carry?

Mr. HIGGINS: What does it mean?

The WITNESS: \$510 is the estimate. The terms of reference are rather substantial in view of the amount of money which it will require.

The Committee's terms of reference are:

- (i) To inquire into complaints from persons and bodies interested with regard to ocean freights, facilities, and conditions in interimperial trade, or questions of a similar nature referred to them by any of the nominating authorities; and to report their conclusions to the governments concerned.
- (ii) To survey the facilities for maritime transport on such routes as appear to them to be necessary for trade within the Empire, and to make recommendations to the proper authority for the co-ordination and improvement of such facilities with regard to the type, size, and speed of ships, depth of water in docks and channels, construction of harbour works, and similar matters; and in doing so to take into account facilities for air transport on the routes in question.

These terms of reference, as members of the committee may recall, were formulated in 1920 and have not been changed except an addition regarding air transport. Quite frankly the committee is not very active and is not expected to be active in this coming fiscal year, and I think it is doubtful that it will continue.

Mr. HIGGINS: How long is it since it has been active?

The WITNESS: It has not been active since the war.

Mr. GRAYDON: It could not get very active on \$510.

The CHAIRMAN: Shall the item carry?

Carried.

Item 103 "Inter-allied Reparations Agency"

Mr. GRAYDON: I want to ask some questions with respect to this item, which I think raises the whole matter of reparations.

When the *Athenia* was sunk a few days after the second World War broke out, there were a number of Canadians on that vessel. Some of them lost their lives and some of them lost a good deal of property. The question has arisen from time to time. I imagine that the members have had it arise in their own constituencies. I know that I have; and I would like to know how that reparations situation presently stands? Is it possible that the reparations matter may soon be dealt with? Or what happens in the meantime in the way of interim payments to those who have suffered loss?

The WITNESS: Of course, I take it that any final disposition of the problem of war claims must await peace arrangements with Germany whatever they may be.

This agency for which funds are asked in this vote has a more restricted function. The Inter-allied Reparations Agency was established by agreement at Paris in January 1946. Its function is to effect equitable distribution of the total assets which were declared available as reparations from Germany among the 19 member nations entitled to reparations to compensate in some measure for the loss and suffering caused by Germany.

The forms of reparations made possible are industrial capital equipment, German external assets, merchant shipping, and captured enemy supplies.

The I.A.R.A. consists of an assembly comprising representatives from each of the 19 governments and international secretariats; and each country's share of the I.A.R.A. budget is calculated on the percentage of the reparations allocated to it.

For the calendar year 1950 Canada was assessed \$16,500 as her contribution. And it is anticipated that the agency will end its functions this coming year.

Most of the work has been completed; that is to say, most of this particular type of asset has been liquidated and distributions have been made of the proceeds. Our share in 1950 amounted to \$6,988.

Mr. STICK: And you say that it will gradually disappear in time?

The WITNESS: Yes, sir.

Mr. GRAYDON: What has happened to those people who lost personal property in Canada under circumstances such as I described in connection with the *Athenia*? Are they being paid by the Canadian government or by any other organization, or are these people going to have to wait until the Russians get ready to sign a peace treaty?

The WITNESS: I shall have to ask Mr. Moran to answer your question because he is more familiar with the situation than I am.

Mr. MORAN: A Canadian citizen may have one of two types of claims. One would be a claim for restitution of property; the other type would be a claim for compensation for loss or damage.

Claims of the former type have been forwarded as received to the appropriate government and in many cases restoration has taken place.

But in the case of compensation for loss or damage, the claim has been filed with the Custodian and will be met in whole or in part under whatever arrangements are made for payment. There may be a fund comprised of moneys from former enemy countries.

Mr. GRAYDON: Contributions from former enemy countries such as Germany? We seem now to be making a move to put Germany back into the running again. Are we going to take war reparations from her at the same time that we try to get her to re-arm? What is the situation?

Mr. MORAN: In the case of Germany there were approximately 1,800 German industrial plants earmarked by I.A.R.A. for dismantling and available as reparations. The various member countries were advised and given specifications and details of the plants. They were publicized in Canada as in other countries. But I think in only one case was interest shown in Canada. That was the case of the aluminum company. It showed some interest in a plant in western Germany. It sent men over to inspect it. But after carrying out the inspection, it decided that it was not worth while to proceed because the boilers were of the wrong type, or something of that nature.

We have received some foreign currencies as a result of German external assets being liquidated. The most recent case was in Spain where something like 17 million pesetas were transferred to Canada as its percentage share of German assets in Spain.

Mr. COLDWELL: Who owned the aluminum plant? It was not owned by a subsidiary of the Aluminum Company of America, is it?

Mr. MORAN: No, sir.

Mr. STICK: What about German assets in Canada?

Mr. MORAN: They are held by the Canadian custodian.

Mr. STICK: Will they go into this fund too?

Mr. MORAN: I do not know.

The WITNESS: German assets in Canada are subject to a prior Canadian lien, as it were; and it is from this sort of item that a private individual or others who claim loss or damage as the result of the war will have some possibility of making a recovery.

Mr. STICK: That is what I meant.

The WITNESS: Depending on whatever settlement is made with the German government.

Mr. GRAYDON: I think we ought to pursue that question of personal loss of Canadian citizens who suffered in the manner I outlined at the opening of this item. I do not think this thing should be allowed to die a natural death. Some settlement will have to be made, I think, by some authority. After all, I am not at all sure that we should ask individual Canadian citizens to bear such a heavy load of war losses themselves. I think there should be some distribution on a national level with respect to them and I would like it, Mr. Chairman, if the deputy minister or his associate would make some investigation into the position with respect to these claims and give us an idea at some other sitting of just how they stand and how many people in Canada are being inconvenienced and are suffering by virtue of not having been paid up to date.

I have not got the most recent information on it and I do not imagine that members of the committee have it either, but if there are quite a number of these claims, I do not think they should go on until they are outlawed by passage of the years. If they are proper claims, then somebody should meet them. I do

not think we should allow these people to have their claims stand forever. And most of those claims, if they stand much longer, will be only claims by estates rather than by the living individuals. I do not think it is at all fair.

The WITNESS: This matter of course is one primarily for the Secretary of State's Department. But I can give a general answer to the question.

German assets, as were all enemy assets, were vested in the custodian by executive action upon the out-break of hostilities. Those assets, of German nationals as well as of the German government in Canada, remain at this moment in the possession of the custodian of enemy property as security in part at least against claims which have been filed by individuals and by corporations.

I am not in a position to say now what the figures are of the total claims which have been filed with the custodian. But some time ago the custodian did advertise for claims and a number were then forthcoming and filed. These are under examination and scrutiny, and standing against partial realization at least from these German assets when they are liquidated.

The terms on which these claims will be tried have not yet been determined nor have negotiations been had or completed with the German authorities in this respect.

I feel a statement could be obtained from the custodian's office if the committee so desires.

Mr. GRAYDON: I think this is not a thing we should pursue in this committee. I think this is a question which should be raised on the estimates of the Secretary of State's Department when they come up in the House. I was under the impression that there was some relationship between this department and that subject, but I do not think that the reference to this committee would take it in.

The WITNESS: I.A.R.A. is quite distinct from the Secretary of State's branch.

The CHAIRMAN: Shall the item carry?

Carried.

Item 104 "Inter-American Committee on Social Security".

Mr. GRAYDON: I do not think we should carry this item until we know what the Inter-American Committee on Social Security is.

The WITNESS: The Permanent Inter-American Committee on Social Security is an off-shoot of the International Labour Organization which was a result of the first inter-American conference on social security held in 1942 at which Canada was represented. It is essentially an executive Committee which carries out the projects approved by the members during Conferences.

The purpose of the Committee and Conferences is, of course, to foster social security measures throughout the Americas.

The Inter-American Committee on Social Security is composed of members (American states) who meet in conference at irregular intervals. It is formed by regular and substitute members, appointed by the member-states. They are assisted by a secretariat provided by the I.L.O.

Canada has been a member of the Conference since its inception. However, she has never appointed members to the Committee.

Mr. BATER: Mr. Heeney mentioned the Americas. I presume he means the Latin Americas as well as the United States and Canada?

The WITNESS: Yes, central, south, and north Americas.

Mr. MURRAY: Isn't that an opportunity for the labour organizers to get busy in countries which are below normal in the way of wage scales and living conditions?

The WITNESS: This of course provides for a meeting of government officials or government representatives to discuss special security standards and condi-

tions within their own countries, to exchange ideas, and to get some measure of uniformity or at least co-operation in the development of measures of that character.

Mr. MURRAY: That would take in such matters as the eight hour day or the minimum wage?

Mr. BATER: Or old age security, for instance?

Mr. MURRAY: It is over-done in Canada and the United States while it is not done at all in these other countries.

The CHAIRMAN: Shall the item carry?

Carried.

Item 105 "General Agreement on Tariffs and Trade". Shall the item carry?

Mr. BATER: In connection with the Torquay agreements, is it?

The WITNESS: Yes, sir.

The CHAIRMAN: Does the item carry?

Carried.

Mr. FRASER: What is this for? Is it to set up a committee?

The WITNESS: This is an organization under the auspices of which tariff negotiations are conducted; and this vote is to provide our share of the expenses for that purpose.

Mr. FRASER: Who pays the other part of it, outside of those who go over? Who pays for the meeting place?

Mr. MACINNIS: That is covered by this item.

The WITNESS: That is right. That is Canada's share of it.

The CHAIRMAN: Does the item carry?

Carried.

Item 106 "To Provide I.C.A.O. with Accommodation at Cost". Shall the item carry?

Mr. FRASER: On this item, "with accommodation at cost", just what does that mean? Does the I.C.A.O. pay anything?

The WITNESS: Oh, yes. They pay a certain rental at a level which I explained to the committee last year. It is estimated to be below commercial standard rates. In fact, the Canadian government is providing a subsidy for this purpose.

Mr. FRASER: In order to have it in Canada?

The WITNESS: That is right.

Mr. BATER: This is the organization which has its headquarters in Montreal?

The WITNESS: Yes, sir.

The CHAIRMAN: Shall the item carry?

Carried.

And on page 15 the item at the top of the page "Pensions and other Benefits". Shall this amount carry?

Carried.

"International Joint Commission, Salaries and Expenses of the Commission according to the Statute \$55,000". Shall the item carry?

Mr. STICK: We have got to carry it.

The CHAIRMAN:

Carried.

Item 107 "To provide for preliminary studies and surveys of the mid-western watershed". Shall the item carry?

The WITNESS: Mr. Jutras asked a question about this item, and as he is not present today, I would like to put this statement on the record.

The CHAIRMAN: Mr. Jutras said it would be satisfactory to him, unless the members want Mr. Heeney to read it.

Mr. STICK: No, let him put it on the record.

The WITNESS:

In the case of the Mid-Western Watershed references the general expenses of the investigation of the International Joint Commission are now borne by the Department of Resources and Development. The amount still provided by this Department is to take care of the fees of the legal counsel and engineering consultant, both of whom were employed by this Department to organize and present to the Commission the Government's case.

2. When a new reference is made to the International Joint Commission, it has been the practice for this Department to provide for the expenditure arising out of the first year's investigations. Subsequently these expenses are borne by the Department which turns out to be the one most intimately concerned with the investigation. It is for this reason that the estimates for the current year include items covering the St. John River reference and the Niagara Falls reference, both of which were transmitted to the International Joint Commission last fall. Next year it is anticipated that some other department will be responsible for these items.

3. The inclusion in the estimates of this Department of an item intended to provide for the expenses of the investigation under the Air-Pollution reference is an exception to the practice outlined above. All references provide that the Government will provide the necessary personnel to carry out the investigations envisaged by a reference and usually the Department concerned is able to do this. In this case the services of both Dr. Katz, Defence Research Board, and Mr. Menzies of the Department of National Health and Welfare were enlisted but no other qualified personnel were available to carry out the field work. Therefore, with the approval of the Civil Service Commission, several new temporary positions were created on the staff of the International Joint Commission. The amount in this Department's estimates in connection with this reference represents, therefore, in the main, the salaries, payment for office accommodation, travel expenses, and other sundry expenses incurred by these temporary employees of the International Joint Commission. For this reason this Department has continued to provide for the appropriation of the necessary funds.

Mr. BATER: Does the South Saskatchewan dam project come under this item?

The WITNESS: No. The project you mention is domestic and not international.

The CHAIRMAN: Does the item carry?

Carried.

Item 108 "To provide for Canada's share of an investigation on the matter of air pollution in the vicinity of Detroit and Windsor, \$40,000". Shall the item carry?

Mr. MACKENZIE: What was the reason for the substantial increase in this item from \$26,983 to \$40,000?

Mr. LESAGE: The estimate was \$26,983; but we had a supplementary vote. It would come under the supplementary estimate.

The CHAIRMAN: Does the item carry?

Carried.

Item 109 "To provide for Canada's share of the expenses in connection with the St. John River reference." Shall the item carry?

Mr. HIGGINS: This item is brand new.

The WITNESS: Yes. Would the committee like some explanation?

Mr. STICK: Yes.

Mr. HIGGINS: Are the United States paying anything in connection with this St. John River business at all?

The WITNESS: There would be a comparable sum expended on the other side. Are you not thinking of the Passamaquoddy. Mr. Higgins?

Mr. HIGGINS: That is right.

The CHAIRMAN: Shall the item carry?

Carried.

Item 110 "To provide for Canada's share of the expenses of the Niagara Falls reference." Shall the item carry?

Mr. FRASER: Perhaps Mr. Heeney could tell us what this is.

The WITNESS: This item is to provide for Canada's share of the studies of remedial works to enhance the beauty of Niagara Falls and prevent it from deterioration. The total estimate amounts to \$50,000 and the nature of the expenditure would be as follows: surveys, \$20,000; model experiments, \$25,000; and other expenses, \$5,000.

This reference was made to the commission pursuant to an article in the Niagara Diversion Treaty of 1950, which provided that Canada and the United States will ask the International Joint Commission to make recommendations concerning the nature of the remedial work which is necessary to retain and enhance the scenic view at the falls.

Mr. FRASER: After that has been done, what estimate will you be making in order to look after that work?

The WITNESS: That will depend on the report of the International Joint Commission; when their report is made, if the government agree to go along with the recommendations, estimates will come forward through another department, not through our department. We only provide in our estimates for the immediate work of the reference.

Mr. FRASER: You mean the survey work?

The WITNESS: Yes.

Mr. FRASER: And that would likely come under the Department of Public Works?

The WITNESS: I think it would be the Department of Resources and Development.

The CHAIRMAN: Shall the item carry?

Carried.

Item 111 "Commonwealth Consultative Committee on South and Southeast Asia". Shall the item carry?

Mr. STICK: Is this an outcome of the Colombo plan?

The WITNESS: Yes, the Colombo plan.

The CHAIRMAN: Shall the item carry?

Carried.

Page 71, Vote 566 "To authorize and provide for working capital advances in the current and subsequent fiscal years to maintain cash and bank balances at Department of External Affairs' posts abroad, subject to regulations of the Treasury Board, the amount of advances hereby authorized outstanding at any time not to exceed \$300,000". Shall the item carry?

Carried.

This completes our order of reference. Shall I refer the estimates back to the House?

Agreed.

We shall have to call a meeting of the steering committee and take steps to prepare our report which I believe will not be very voluminous. Any suggestions which members of the committee may care to make for the report will be gladly welcomed.

Mr. STICK: You will report back to this committee before you report to the House?

The CHAIRMAN: Yes. And I want to thank Mr. Heeney, Mr. Moran and the other officials of the department as well as the members of our committee for their diligence, attention, and co-operation.

Mr. LESAGE: When do you expect to have a report from the steering committee?

The CHAIRMAN: I shall try to get one as soon as possible.

Mr. LESAGE: Possibly on Monday afternoon?

The CHAIRMAN: Yes.

Mr. STICK: I move a vote of thanks to the chairman for the manner in which he has conducted our meetings.

The CHAIRMAN: Thank you.



Canada - External Affairs Standing Comm

HOUSE OF COMMONS

Fifth Session—Twenty-first Parliament, 1951
(Second Session)

Government
Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

CHAIRMAN—MR. J. A. BRADETTE

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

THURSDAY, NOVEMBER 29, 1951

BILL 15.

An Act to provide for Privileges and Immunities in respect of
the North Atlantic Treaty Organization.

WITNESS:

Mr. J. P. Erichsen-Brown, Legal Division, Department of External Affairs.

Chairman: Mr. J. A. Br  dette.

Vice-Chairman: Mr. Gordon Graydon.

and

Messrs.

Balcer,
Bater,
Benidickson,
Breithaupt,
Coldwell,
C  t   (*Matapedia-
Matane*),
Croll,
Decore,
Dickey,
Diefenbaker,
Fleming,

Fournier (*Maisonneuve-
Rosemont*),
Fraser,
Gauthier (*Luc St. Jean*),
Gauthier (*Portneuf*),
Goode,
Green,
Higgins,
Jutras,
L  ger,
Lesage,
Low,

MacInnis,
MacKenzie,
Macnaughton,
McCusker,
Murray (*Cariboo*),
Picard,
Pinard,
Quelch,
Richard (*Ottawa East*),
Robinson,
Stick—35.

Quorum 10

R. J. GRATRICK,
Clerk.

Sent
Communications

ORDERS OF REFERENCE

FRIDAY, October 19, 1951.

Resolved,—That the following Members do compose the Standing Committee on External Affairs:—

Messrs.

Balcer,	Fleming,	Low,
Bater,	Fournier (<i>Maisonneuve-</i>	MacInnes,
Benidickson,	<i>Rosemont</i>),	MacKenzie,
Bradette,	Fraser,	Macnaughton,
Breithaupt,	Gauthier (<i>Lac St. Jean</i>),	McCusker,
Coldwell,	Gauthier (<i>Portneuf</i>),	Murray (<i>Cariboo</i>),
Côté (<i>Matapedia-</i>	Goode,	Picard,
<i>Matane</i>),	Graydon,	Pinard,
Croll,	Green,	Quelch,
Decore,	Higgins,	Richard (<i>Ottawa East</i>),
Dickey,	Jutras,	Robinson,
Diefenbaker,	Léger,	Stick—35.
	Lesage,	

(Quorum 10)

Ordered,—That the Standing Committee on External Affairs be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

FRIDAY, November 23, 1951.

Ordered,—That the following Bill be referred to the said Committee:—

Bill No. 15. An Act to provide for Privileges and Immunities in respect of the North Atlantic Treaty Organization.

THURSDAY, November 29, 1951.

Ordered,—That the said Committee be empowered to print, from day to day, 500 copies in English and 200 copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 64 be suspended in relation thereto.

Ordered,—That the said Committee be authorized to sit while the House is sitting.

Attest.

LÉON J. RAYMOND,
Clerk of the House.

Chairman: Mr. J. A. Br dette.

Vice-Chairman: Mr. Gordon Graydon.

and

Messrs.

Balcer,
Bater,
Benidickson,
Breithaupt,
Coldwell,
C  t  (Matapedia-
Matane),
Croll,
Decore,
Dickey,
Diefenbaker,
Fleming,

Fournier (*Maisonneuve-
Rosemont*),
Fraser,
Gauthier (*Luc St. Jean*),
Gauthier (*Portneuf*),
Goode,
Green,
Higgins,
Jutras,
L  ger,
Lesage,
Low,

MacInnis,
MacKenzie,
Macnaughton,
McCusker,
Murray (*Cariboo*),
Picard,
Pinard,
Quelch,
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Robinson,
Stick—35.

Quorum 10

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Clerk.

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Bradette,	Fraser,	Macnaughton,
Breithaupt,	Gauthier (<i>Lac St. Jean</i>),	McCusker,
Coldwell,	Gauthier (<i>Portneuf</i>),	Murray (<i>Cariboo</i>),
Côté (<i>Matapedia-</i>	Goode,	Picard,
<i>Matane</i>),	Graydon,	Pinard,
Croll,	Green,	Quelch,
Decore,	Higgins,	Richard (<i>Ottawa East</i>),
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Attest.

LÉON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

THURSDAY, November 29, 1951.

The Standing Committee on External Affairs begs leave to present the following as a

FIRST REPORT

Your Committee recommends:

1. That it be empowered to print, from day to day, 500 copies in English and 200 copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 64 be suspended in relation thereto.

2. That it be authorized to sit while the House is sitting.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, November 29, 1951.

The Standing Committee on External Affairs met at 11:00 o'clock a.m. this day. Mr. Bradette, Chairman, presided.

Members present: Messrs. Balcer, Bater, Breithaupt, Coldwell, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Goode, Graydon, Léger, Lesage, Low, McCusker, Murray (*Cariboo*), Quelch, Robinson, Stick.

In attendance: Mr. J. P. Erichsen-Brown and Mr. E. R. Rettie, of the Legal Division, Department of External Affairs, and Mr. M. H. Wershof, of the Defence Liaison Division, Department of External Affairs.

On motion of Mr. Coldwell:

Resolved,—That Mr. Graydon be Vice-Chairman of the Committee.

On motion of Mr. Stick:

Resolved,—That the Committee recommend to the House that it be empowered to print, from day to day, 500 copies in English and 200 copies in French of its Minutes of Proceedings and Evidence.

On motion of Mr. Low:

Resolved,—That the Committee recommend to the House that it be authorized to sit while the House is sitting.

The question of reducing the quorum was discussed and it was agreed that there should be no reduction for the time being.

The Committee then commenced consideration of Bill No. 15, An Act to provide for Privileges and Immunities in respect of the North Atlantic Treaty Organization.

The Chairman called Clause 1. of the Bill.

Mr. Lesage, Parliamentary Assistant to the Secretary of State for External Affairs, made a statement in explanation of the principle of the Bill.

Mr. Erichsen-Brown was called, made a statement in explanation of the different types of privileges and immunities specified in the Bill; outlined the background leading up to the legislation to grant such privileges and immunities in respect of the North Atlantic Treaty Organization; explained in detail Articles 1, 2 and 3 of the Agreement on the status of the North Atlantic Treaty Organization, National Representatives and International Staff, and was questioned thereon.

During the course of the presentation by Mr. Erichsen-Brown, Mr. Wershof answered questions specifically referred to him.

At 12.30 p.m. the examination of the Witness was adjourned to the next meeting of the Committee.

Thereupon the Committee adjourned to meet again at the call of the Chair.

R. J. GRATRIX,
Clerk of the Committee.

MINUTES OF EVIDENCE

November 29, 1951.

11:00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. I appreciate very much your early attendance in such good numbers and I understand what a problem it is to get here so promptly when so many other committees are sitting.

Our first order of business will be the election of a Vice-Chairman.

Mr. BATER: I would move that Mr. Graydon be appointed Vice-Chairman.
Carried.

The CHAIRMAN: The next order of business is a motion for authority to print.

Mr. Low: How many copies did we have last year?

The CHAIRMAN: We had 500 in English and 200 copies in French.

Mr. Low: That was the number last year?

The CHAIRMAN: Yes.

Mr. McCUSKER: Were they all used?

The CHAIRMAN: Yes.

Mr. GAUTHIER (*Portneuf*): I can tell you one thing, the French copies will not be used because they come out too late.

Mr. LESAGE: May I draw the attention of the committee to the fact that we will be dealing only with a specific bill and our proceedings will be essentially technical. I wonder if we need all those copies?

The CHAIRMAN: Would it be better to print, say, 300 copies in English and 150 copies in French?

Mr. GAUTHIER (*Portneuf*): That would be all right, if they will print them sooner.

The CHAIRMAN: We will look into that for you. Well then, shall we say 500 copies in English and 200 copies in French; will that be satisfactory?

Carried.

The next motion is for authority to sit while the House is sitting. The wording of the motion would be: that the committee recommend to the House that it be authorized to sit while the House is sitting.

Mr. COLDWELL: I hope this committee will not sit while the House is sitting because there are so many committees which are doing that.

Motion agreed to.

The CHAIRMAN: The next motion is to reduce the quorum. That the committee recommend to the House that its quorum be reduced from 10 to 8 members and that in relation thereto standing order 63 (1) (L) be suspended.

Mr. STICK: What was the quorum last year?

The CHAIRMAN: I believe it was reduced to 8.

Mr. STICK: Well, that may be necessary in view of the fact that we have so many committees meeting.

Mr. Low: How many members have we on this committee, Mr. Chairman?

The CHAIRMAN: Thirty-five.

Mr. Low: Eight seems to be a very small quorum.

Mr. STICK: But it is sometimes difficult to get a quorum.

The CHAIRMAN: Then perhaps we had better leave it at 10.

Mr. BREITHAUP: It would be much better to leave it at 10, I think.

The CHAIRMAN: Now, the order of reference, as you know, is Bill number 15, an Act to provide for privileges and immunities in respect of the North Atlantic Treaty Organization. I believe that you have the bill before you now and I would like your opinion as to what way we should start our consideration of this bill. Do you want to take it up item by item?

Mr. GOODE: I would suggest, Mr. Chairman, that we get an explanation from some of the experts here. We have the parliamentary assistant with us; possibly he could give us a short statement. I suggest we go ahead with it that way.

The CHAIRMAN: Then I will call the short title: 'shall the short title carry?

Mr. Low: Could we have a statement from the parliamentary assistant (Mr. Lesage) on that, Mr. Chairman?

The CHAIRMAN: Mr. Lesage.

Mr. LESAGE: On November 8th, at the resolution stage I gave a general outline of the background of the bill and also of the bill itself. That was very, very general in nature and I have asked Mr. Erichsen-Brown, of the Legal Division of our department, to expand the explanation I gave at that time.

Now, Mr. Chairman, the gentlemen on my right are Mr. J. P. Erichsen-Brown, and Mr. E. R. Rettie of the Legal Division, and Mr. M. H. Wershof of the Defence Liaison Division of the Department. They will be able to answer any questions which may be put in the general discussion before we begin a study of the bill clause by clause. Would that be agreeable to the members—that we have a general statement and then consider the bill section by section?

Mr. GRAYDON: Did he have charge of the security arrangement at the conference here while NATO was sitting?

Mr. COLDWELL: I hope not.

Mr. GOODE: I did not see the statement. I must confess that I have not read it, and I am sorry that I have not. I refer to the statement made by the parliamentary assistant in the House. I don't expect you to read it again but could you just give us the main items?

The CHAIRMAN: Will you allow me to interrupt before we proceed to say that I must leave at half past twelve and I will ask Mr. Graydon to take the chair at that time. Also, I would like to have a date set for our next sitting. shall we say next Tuesday morning at 11.00 a.m.; would that be satisfactory?

Mr. Low: I am just wondering, Mr. Chairman, if it would not be advisable for us to get the preliminaries sort of cleared away so that that will give us a chance to look over all this material, and if we do that perhaps we can adjourn before you have to leave.

The CHAIRMAN: Well, I am sorry, but I have to leave at half past twelve.

Mr. LESAGE: That is all right, I think we can do it by half past twelve.

Mr. COLDWELL: Could we have a short explanation then?

Mr. LESAGE: Yes, I will say a few words. The agreement, which is the schedule to the bill, was signed in Ottawa by all the NATO members on September 20, 1951, during the NATO meeting in Ottawa, and the signatories were all the members of the North Atlantic Treaty Organization; that is Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom and the United States.

Mr. GOODE: That does not include Greece and Turkey?

Mr. LESAGE: No, they are not yet members of NATO. In order that Greece and Turkey become members of NATO, the protocol of accession has to be ratified by all the present members. Up to now only two members have ratified and they are Norway and Denmark.

Mr. STICK: And they were the ones who at first were against the admission of those two countries?

Mr. LESAGE: They may at first have been hesitant, but they were the first to ratify.

The agreement which you have before you follows generally the form of agreement which, beginning with the general convention on privileges and immunities of the United Nations in 1946, has been adopted with more or less minor variations, to define the privileges and immunities of practically all the important international organizations. Certain departures have, however, been made from the precedents in order to meet the particular requirements of NATO. NATO differs from other international organizations in that it has subsidiary bodies in permanent session in several countries. Other organizations generally only have a permanent seat in the country where they have their headquarters and it has been usual, in addition to the general agreement defining the privileges and immunities which all member states are expected to accord, to have a special headquarters agreement between the organization and the member state in whose territory the headquarters are located. For instance, apart from the general agreement on privileges and immunities of the United Nations and its specialized agencies there is a headquarters agreement dealing with privileges and immunities of national representatives accredited to ICAO—that is the International Civil Aviation Organization—which has its permanent seat in Montreal. This agreement was made between the Canadian government and ICAO. A headquarters agreement, such as we have with ICAO, covers the special requirements of the organization in this country where it has its headquarters. Since NATO has permanent bodies in several countries it has been found convenient to include in the agreement now, before the committee provisions, mainly concerning national representatives, which are generally found in a headquarters agreement.

As you know, the principal activities of NATO are in Washington, London and Paris. That is where you will find most of the international staff, and the national representatives. As a matter of fact, as far as Canada is concerned this agreement is more for the protection and convenience of the international staff and our own representatives in other countries than it is for national representatives in Canada. It would of course also afford protection for the staff of NATO, or national representatives who might come to Canada.

Now, at the present time, as I said in the House, there are about 170 people only who may be described as staff affected by this agreement. In so far as representatives are concerned a large number—I cannot give the exact figure at the moment—already enjoy privileges and immunities because of their rank as ambassador or counsellor of embassy or things like that. For instance, our high commissioner in London, Mr. Wilgress, has all the usual diplomatic privileges and immunities, and this bill will not change his status because even when he sits on the council of deputies he continues to enjoy his privileges and immunities. It does not give him anything more than he already has, and the same thing applies to practically all the personnel of our embassies and legations at points at which NATO sits from time to time.

Now, as to the nature of the immunities and privileges, Mr. Erichsen-Brown will give you an explanation in his remarks.

Mr. GRAYDON: Mr. Chairman, may I ask a question? In the paper yesterday there was some reference to a measure which was passed in the United

Kingdom house which would extend privileges and immunities to and confer the status of ambassador on whomever happens to be appointed a high commissioner for any commonwealth country. Is there any difference between a high commissioner and an ambassador in so far as this bill is concerned? Now, is there any difference between the privileges and immunities granted to ambassadors from foreign countries and those granted to high commissioners appointed within the commonwealth itself?

Mr. LESAGE: There is none, Mr. Graydon, but this question of the high commissioners' status is a special one and I have something here which I could read to you:

High commissioners are accorded privileges and immunities in Canada which are within the administrative competence of the federal government on the basis of international courtesy. The legal status of high commissioners is in a state of flux. There is no reason in principle why representatives of other commonwealth countries should receive different treatment from that received by representatives of foreign governments, in so far as exemption from taxation and legal proceedings are concerned.

As a matter of fact, high commissioners have always been considered as enjoying the same privileges and immunities as the other representatives to our country.

Mr. COLDWELL: I take it this legislation in Britain just makes it statutory . . .

Mr. LESAGE: . . . of what has been the practice or usage.

Mr. STICK: Is not the idea to give the high commissioners the same status as ambassadors?

Mr. LESAGE: I did not see that item of news.

Mr. STICK: I think that is the idea behind it. It has been going on for some time. They want to give high commissioners within the commonwealth the same status as ambassadors.

Mr. LESAGE: There has never been any difficulty about this in Canada because usage has granted them the same privileges and immunities. There is no difference, as a matter of fact.

The Supreme Court of Canada has already rendered a judgment on a reference on this point, *re* power of municipalities to levy rates on foreign legations and high commissioners' residences. The judgment is reported in 2 D.L.R., 1943, at page 481. It does not make any difference between foreign diplomats and high commissioners.

Mr. GRAYDON: On what statute would that judgment rely?

Mr. LESAGE: May I read the "jugé"?

Although the Assessment Act, R.S.O. 1937, c. 272, provides in general terms for assessing property for taxes, which are declared to be recoverable as a debt from the owner and to constitute a lien upon the property enforceable by distress, a municipal corporation is not empowered thereunder to impose taxes upon property owned by a foreign state and occupied as a legation by its diplomatic agent since implicit in the principle of international law, recognized by the law of Ontario, that the diplomatic agent and the legation enjoy, in general, an immunity from local jurisdiction, is the rule that legislation imposing land taxes does not embrace such property of a foreign state.

It applies by courtesy *ipso facto*, to high commissioners because of usage.

Mr. Low: That is reciprocal is it in other countries?

Mr. LESAGE: Oh, yes; of course it is reciprocal.

Mr. GRAYDON: I asked the Minister of External Affairs last session whether this matter had been discussed at the commonwealth conference. I think if I recollect correctly he said there had been some discussion of it. Perhaps it is not proper for me to ask the parliamentary assistant whether this type of legislation which has been introduced into the United Kingdom parliament, by general agreement, is to be introduced in the various commonwealth countries? If he feels free to answer, all right; but, if not, I will withdraw the question.

Mr. LESAGE: I am very sorry, but I do not know, and if I knew I would not be in a position to announce government legislation.

Mr. GRAYDON: You are catching on pretty fast.

Mr. GOODE: Has any thought been given to changing the status of the men we call high commissioners to the full status of ambassadors? This may be an old story but I have not been here too long.

Mr. LESAGE: Well, I would like to see the piece of legislation that has been passed in the United Kingdom parliament before I answer the question.

Mr. GOODE: May I ask the question again?

Mr. LESAGE: Yes, I will take note of it and look into it.

Mr. GRAYDON: Our commonwealth representatives should not be in any inferior position to those who come from foreign lands.

Mr. LESAGE: Mr. Graydon, there are things I cannot say at this time but I may be in a position to do so next week.

Mr. COLDWELL: Is there not a difference in status of high commissioners and ambassadors? Ambassadors represent a foreign power whereas high commissioners represent someone within the commonwealth—within the family as it were. I think there is a distinction. I think all immunities and so on should be granted to the high commissioners, but I would not like to see them placed on the same basis as an ambassador to a foreign country. The high commissioner is not representing a foreign country; he is a representative of a person within our family of nations.

Mr. LESAGE: That is the great difficulty, of course. A high commissioner does not represent the King—who is also the King of Canada—he represents the government. A foreign diplomat, if from a kingdom, represents the King of his country.

Mr. STICK: Or the president.

Mr. GOODE: In protocol, does our high commissioner have to take a junior position as far as foreign ambassadors are concerned?

Mr. LESAGE: That is the question again that I would like to answer next week.

Mr. QUELCH: I wonder if the parliamentary assistant could define the line of demarcation that exists between the types of information that a foreign office representative can give to his country and not violate his privileges, and without allowing himself to be open to the charge that he is indulging in a form of espionage?

Mr. LESAGE: That is the kind of question on which the experts will answer in their general statement. They are prepared to answer such questions.

As far as the status of the high commissioners is concerned I will make a more complete statement next week. I will be in a position to say whether the information that is sought may be divulged. The question is being studied and discussed at the present time.

Mr. COLDWELL: There is this difficulty. High commissioners today, under protocol, are way down the list, are they not? They follow all ambassadors?

Mr. LESAGE: That is a point I shall discuss with you gentlemen next week.

Mr. COLDWELL: I do not think it is quite proper, but on the other hand I would not like to see a change indicating that the association from now on is within the commonwealth.

The CHAIRMAN: Let us proceed. You are finished with your statement, are you not, Mr. Lesage?

Mr. LESAGE: Yes, Mr. Chairman.

Mr. J. P. Erichsen-Brown, Legal Division, Department of External Affairs, called:

The WITNESS: Mr. Chairman, I was going to suggest to the committee that I might be permitted to make a brief outline of what I thought were some of the fundamental factors of the background of this treaty. I had thought to do that at first but after listening to this discussion, I would like to alter that procedure slightly by going into the question of the different types of immunity.

Briefly, there are six bases in our law for immunity; one, the sovereign immunity of the state; two, diplomatic immunity of representatives of the state, which of course depends on the sovereign immunity; three, there is a very limited immunity accorded to consuls based upon international law, and fourth, there is the immunity which is enjoyed by a commonwealth country as such. That immunity is not dependent upon international law but rather upon the special position of the Crown. And the way it works out is that while a right has been given to the Crown in various commonwealth jurisdictions, that legislation is not extended to Acts in other commonwealth countries, and the old rule still applies, according to which a fiat is required of the Crown whose exchequer would be called upon to pay. That means there is a practical sort of immunity, if the question ever should arise, of a commonwealth government being sued.

By Mr. Graydon:

Q. I take it that would not apply to Pakistan and to India, would it?—A. I would rather not get into the question of India, Mr. Graydon, but I think it would apply to Pakistan.

And in so far as high commissioners are concerned, as Mr. Lesage indicated, they are generally treated in the same way, as far as we can, on a basis of courtesy, which is the reasonable thing to do, I think.

They are, of course, some of our best friends, and they are well behaved, accustomed to our laws and the operation of our laws, and they are most anxious to co-operate.

We practically never have any occasion where the question of immunity arises in so far as high commissioners are concerned.

And lastly, there are the international organizations. There is a fundamental point which I might make in order to assist in the understanding of this problem, and that is that a representative of an international organization is not accredited to the state from the operation of whose laws the exemption arises. He is simply accredited to the international organization as such, and similarly with respect to the senior staff of the international organization, and I would like to stress the word "senior". They are accorded certain privileges.

They are officials of some state or other, but they are strictly international civil servants and are not accredited to the Crown or the state, so the exemption from the laws of that state are not in question. The result is that there is no precise basis at the present time under international law on the subject of privileges and immunities of an international staff and organization. It has developed with the growth of legal principles. It is a gradual process and the result is that we have considered that privileges and immunities of international

organizations have to be brought about by statute. We cannot rely on the principles of international law which have been declared by a judgment of the supreme court of Canada to be part of the general statutory law.

Mr. STICK: This is a new thing as far as international law is concerned, is it not?

The WITNESS: The practice is very widespread of according certain privileges and immunities to the representatives of international organizations.

By Mr. Coldwell:

Q. You were speaking of senior representatives of an international organization. How wide a group would that embrace?—A. In the case of the United Nations the privileges which might be described as being full diplomatic privileges are limited to the secretary-general and assistant-secretaries-general.

In so far as the general background of this agreement is concerned, I would like to sketch briefly a few facts and principles of law which are relevant. First of all, let me say there are 12 NATO countries, and the number may soon become 14; and most of their work is performed in other countries. There is no office in Canada, consequently there is no international staff resident in Canada; and representatives from the other countries only come occasionally to Canada, that is at the present time, so accordingly all the provisions in the agreement could not, under existing conditions, be operative in fact. It might rather be said to be enabling.

The practical application of this agreement is very much less than its potential application. It is in fact applicable to a comparatively small number of individuals.

I have a list of the permanent representatives, including advisers, which was recently issued by the organization. It is an unclassified document. The total number of persons on this list is 59. This list comprises those who are referred to, I think, in section 12 of the agreement as being permanent representatives.

Mr. COLDWELL: And that list can be filed as an appendix to today's proceedings?

Mr. STICK: I think we should have it.

The WITNESS: There would be no objection, but I am going to refer to it in detail later in my statement. The total staff which might be affected is, of course, larger, but I have not got the exact information in that regard.

Mr. LESAGE: We will give only the list.

Mr. COLDWELL: Can we have them according to the countries from which they come?

Mr. LESAGE: We have them by countries.

The WITNESS: The question might be asked why an agreement of this sort is made. I think that the most appropriate answer is that it helps the efficient operation of the organization because it eliminates doubts on the part of representatives in foreign countries concerning their position, and it helps in the obtaining of minor courtesies for officials. And in the case of any person who resides for a long time in a country, it saves the country from having to pay taxes as part of the expenses of the representation.

At the present time, on balance, Canada actually would receive more in the way of privileges and immunities from other countries than she would be called upon to extend to the representatives of other countries in Canada.

The countries on which the greatest burden of extending immunities and privileges would rest would be obviously those where the offices of the organization are located, and at the present time that means France, the United Kingdom and the United States.

As to the legal factors, there are a number of references in the bill to the privileges enjoyed by a diplomatic envoy. Members of the public will read occasionally concerning the automobile of a diplomatic envoy which was involved in an accident. But very few have any idea of what is involved therein in the way of diplomatic immunity.

There are two sets of questions, one is the international side, pure and simple, and concerns the obligation of a state, which receives a diplomatic representative of a foreign state to see that he is protected as to the safety of his person. That rule is, and has been, very well established for many centuries. It is a rule of international law.

The other side is the domestic law. Under domestic law a diplomatic envoy of a country is protected against a violation of his immunity. The domestic law in Canada depends upon the international law. I think I have already mentioned that fact.

Mr. STICK: How can we do that? Suppose there has been a violation of immunity. If the man is immune himself, he cannot violate it, can he?

Mr. COLDWELL: Yes, I think he can violate the law, but he gets immunity.

The WITNESS: It is a question of his right to exemption.

Mr. STICK: If he is above the law, then how can he break it?

The WITNESS: A diplomat is obliged to obey the law. I mean, he is not immune from the law, but he is immune from the jurisdiction; and in any case, where the conduct of a diplomat is involved, it is a question of the remedy which is available. It is not a question of that diplomat having any special immunity from the law as such. In other words, if a question arises, the remedy is achieved through diplomatic channels.

If there is a case of an offender, one with repeated offences, such as traffic violations, and it becomes embarrassing to us, the case can always be directly brought to the attention of the head of the mission, and in extreme cases, we have the remedy of demanding recall.

Mr. STICK: That means that action is taken through diplomatic channels.

The WITNESS: That is the answer in a nutshell.

Mr. STICK: Thank you.

Mr. QUELCH: That would not apply, however, to a breach of municipal law, would it? What would happen in the case of a diplomatic representative who exceeded the speed limit on several occasions? He would be subject to the law, would he not? He would have to adhere to the traffic laws, would he not?

The WITNESS: There again it is a question of the remedy, and the local authorities would proceed to warn him.

Mr. COLDWELL: I think we have had occasions of traffic violation of that nature here in Ottawa.

The WITNESS: Yes, but they are of relatively infrequent occurrence. The diplomatic corps as a whole is very well behaved and responsible.

Mr. GOODE: Suppose in Ottawa one of the high officials from some other country is driving down the street, with his chauffeur at the wheel, and their car knocks down someone and kills him. Suppose the victim was the head of a family. How would we proceed to collect damages on behalf of that family?

The WITNESS: In actual practice, practically all foreign missions carry insurance on their cars and follow the general practice of waiving their immunity, and allowing the case to be prosecuted in court.

Mr. GOODE: That is the point.

The WITNESS: As I say, they would allow the case to be defended by the insurance company in the usual way. But they are not obligated to do so.

Mr. GOODE: But they do waive their immunity in those cases?

The WITNESS: Yes. Immunity can always be waived, and that practice has become very general.

Mr. GOODE: Yes.

Mr. GRAYDON: But suppose there is no insurance. What would happen then?

Mr. STICK: In that case, Canada would pay it.

Mr. LESAGE: It has happened, and via diplomatic channels the family was compensated by the government whose representative caused the accident. There has never been any trouble. The government of the country pays.

Mr. GOODE: Mr. Graydon asked: suppose there was no insurance. Let us suppose that this family is entitled to receive \$10,000 under the law. Do we have to depend on the foreign country to pay that money through diplomatic channels? It might take 5 years. Or, does the government of Canada accept a responsibility for it?

Mr. LESAGE: The Canadian government does not have any responsibility. I do not think a settlement would take 5 years. I might say that any claims of that kind have been promptly settled by other countries here; and whenever we have had claims against us because of the fault or negligence of our representatives in other countries, the people entitled to be paid, have been paid and paid very promptly.

Mr. GOODE: I do not think that Russia comes under this heading.

The WITNESS: It is always a matter of deep concern to the foreign government.

Mr. GOODE: This may not come under the Act, but let us suppose we had a damage claim against Russia. The parliamentary assistant has said that it would not take as long as 5 years to get it paid. But I disagree with him. I think it would take even longer than that. I believe we have had certain damage claims against them, and I believe those claims have been outstanding for 20 years and are not settled yet.

Mr. LESAGE: There has never been any trouble with anyone.

Mr. GOODE: Might I suggest that this might happen at some time. As to the particular position we are in, and the position that the family is in, while it is purely hypothetical at the moment, it might happen.

The WITNESS: The best answer to your question, I think, Mr. Goode, is that we are concerned with our own people in foreign countries, because they also drive cars and may become involved in the unfortunate experience of an accident. So we regard this question of immunity as a rather delicate one. Of course, there are all sorts of factors involved. Our relationship to the foreign country in question is involved, and our representation in that country is involved, and there is naturally sympathy with anybody who has a family in those circumstances. I do not think that too much point should be made of this problem, but that is not for me to say, of course.

Mr. GOODE: You are saying that you are not going to answer me?

The WITNESS: No. But I do know that these occurrences are so rare that they are really most exceptional.

Mr. QUELCH: I remember that recently there was a good deal of trouble about a foreign representative here whose dog bit somebody, and the victim was unable to get compensation.

Mr. BREITHAUP: That happened right here in Ottawa, I think, about a year ago.

Mr. LESAGE: Was not the person bitten a diplomatic representative of another country?

The CHAIRMAN: Suppose there is a case of manslaughter or murder; what would be the attitude according to this on the application of our Canadian laws? It might happen in the case of someone in charge of an automobile and involved in an accident.

The WITNESS: All I can say is that there is a well established understanding among states that in case of a serious offence—where the offence was essentially committed by an individual in a personal capacity rather than in a representative capacity—and that would include such things as manslaughter, murder, and that sort of thing—immunity is waived. That is the point.

The CHAIRMAN: We have never had any real criticism over an accident of that kind.

Mr. GOODE: You mean to say there is a difference between a diplomatic accident and the accident of ordinary people?

The CHAIRMAN: Surely there are safeguards to preserve the reputation of representatives of a country.

The WITNESS: The basic principle is that the diplomatic representative of a foreign state cannot become subject to the jurisdiction of another state. A diplomat is essentially a person who acts in a representative character. Consequently, any action against a diplomat is an action against the foreign state which he represents as such, and there is accordingly a very reasonable basis which is, essentially, that the diplomat be adequately a representative of the country. And, of course, his life may depend on his having immunity under certain circumstances.

For example, in a time of great stress, when people are moved out of a country, the last people to be removed are the senior diplomatic personnel. The consuls go out first, and the people who have immunity last; and generally the last person of all to leave is the head of the mission, whose person is particularly sacrosanct. He is really like the captain of a sinking ship. I do not think you should lose sight of the general importance of diplomatic immunity in the conduct of international affairs.

Mr. BALZER: Suppose there is certain tension between two countries such as that which exists between Great Britain and Iran, and suppose a representative of Great Britain has had an accident involving the head of a family, and is being sued in an effort to recover an amount of money from Great Britain. Bear in mind that there is tension between the two governments, and that for one reason or another payment is not made or payment is delayed and so on. If there were such a case, would the family have any action against the property of the government whose representative was located in the country where the accident occurred?

The WITNESS: No. The answer is no. The property of a foreign government is immune from the jurisdiction.

Mr. STICK: It is considered to be foreign soil.

The WITNESS: That is right.

Mr. LESAGE: It is part of the soil of the foreign country.

The CHAIRMAN: Suppose the party involved had some property in England which could be seized. I suppose that is not covered by the statute?

The WITNESS: You can always seek your remedy in the country concerned. You can always go to the other country and sue.

Mr. GRAYDON: You can sue in the other country under its domestic laws.

Mr. LESAGE: There is one thing which we should not lose sight of, and that is the fact that immunities and privileges are granted on a reciprocal basis; we need them on behalf of our representatives, and we have to give the same consideration to the representatives of other countries here.

The WITNESS: I would like to go on now and deal with international organizations. There is a well established practice that representatives in international organizations and their top executives are accorded privileges and immunities. This is generally done on a selective basis. In other words, there is a certain reluctance to accord full immunities and the attitude of most states may be described as cautious. That certainly is our attitude.

On the other hand there is a practice which has become established in the drafting of legislation of this sort. I would like to refer briefly to the recent Act in the United Kingdom known as the Diplomatic Privileges (extension) Act of 1944 which provides for privileges and immunities for persons connected with international organizations. The scheme of the Act is to give a broad power to the government to confer privileges and immunities up to a set maximum. The maximum is set forth in three schedules to the Act.

One schedule relates to international organizations themselves, a second schedule refers to high officials of the organization, and the third confers very limited privileges on what might be termed minor officials. This Act is an example of enabling legislation enacted with the knowledge that its practical application in given cases would almost invariably be considerably less than its possible application.

I need not point out that the United Kingdom, because of its central position, is much more likely to be a host country to meetings of international bodies than is Canada.

Section 2 of the bill now before the committee is based on a similar principle.

At this point I would like to refer briefly to the concluding words of Article 2 of the bill, and I read:

. . . and the Governor in Council may make such orders as appear to him to be necessary for the purpose of carrying out the obligations, duties and rights of Canada thereunder.

The purpose of that section is not to facilitate the extension of privileges and immunities, but to restrict them. I would like to make that point clear. In other words, it affords a latitude to accord only such privileges and immunities as are regarded under the circumstances as being absolutely necessary.

The special peculiarity of privileges and immunities is that they are negative in character. In other words, there is always a question of exemption involved, the right not to be sued, not to be taxed, not to have baggage inspected by customs officials, and so on.

In the case of an agreement such as the one before the committee, it is essential that it be phrased so as to cover the application of a wide variety of different laws—in the present case of 12 member countries, soon to become 14—under many different contingencies. It is physically impossible to define precisely the laws from the operation of which there is to be exemption. That is obvious in the case of any one country; and when you take into consideration the text of agreements under which we have to operate, under the laws of 12 or more countries, it becomes apparent that the language which you employ has to be of a general character. You have of course to keep within the ambit of the privileges and immunities authorized by the Act.

Privileges and immunities are given strictly on the basis of reciprocity. They are accorded for the benefit of the state, and not for the benefit of the individual. That point is covered by two specific provisions of the agreement—and it applies to both general categories of persons affected, be they representatives or officials.

In the first case, the privilege is for the benefit of the state. It is not for the individual who represents the state. But in the second place, it is for the benefit of the organization, and it is not for the benefit of the people who are employed by the organization.

Mr. COLDWELL: What two provisions are you speaking of?

The WITNESS: Articles 15 and 22.

The CHAIRMAN: In giving a benefit to the state, it also gives a benefit to the individual, does it not? That is the thing. I think that is why people generally regard the conferring of these immunities with something like askance.

The WITNESS: This agreement was prepared by a drafting committee of the NATO organization which met in London, and on which Canada was represented by a member of the staff of Canada House. We received reports of its proceedings from time to time and the agreement was considered in detail, article by article. Needless to say, we had to consult with the departments concerned here, and in the end result, this agreement is in almost every section a matter of rather precise definition, so as to satisfy the requirements of the laws of all the 12 countries.

The basis of liaison in the preparation of the agreement was the convention on privileges and immunities of the United Nations. This convention, which has also been before parliament, was appended to the Privileges and Immunities (United Nations) Act of 1947. That Act has become a model for all agreements of this sort. You may recall that that Act give a power to extend limited privileges to specialized agencies of the United Nations. But the only one of them with which we have been concerned is ICAO in Montreal. The NATO organization is not a specialized organization of the United Nations and consequently this existing legislation is not relevant.

Mr. GRAYDON: Of course, NATO itself comes under the provisions of the United Nations charter?

The WITNESS: That is true. That is why I mentioned it, its functions are consistent with those of the United Nations although it is not officially connected with the United Nations. The special powers under the existing legislation cannot be invoked as section 3 of the Privileges and Immunities (United Nations) Act only extends to specialized agencies of the United Nations.

Now, at this point, I would like to go on and discuss the bill. Perhaps, I should have gone into it much earlier. Are there any questions which any member would like to ask on this general introduction?

Mr. GOODE: Mr. Chairman, these gentlemen will be available again, will they?

Mr. LESAGE: Oh, yes.

The WITNESS: Now, in so far as this Act is concerned, what I was proposing to do was to go through it section by section dealing with what I consider to be the essential points, what you might call hitting the high spots; and, if there are any questions arise on which I may not be able to give the answer Mr. Rettie, who is more familiar with some of the details, will look the information up. If, on the other hand, a question arises which concerns staff or organization of the general set-up, I would like to refer that to Mr. Wershof.

The CHAIRMAN: It might be more convenient if Mr. Ericksen-Brown were permitted to go ahead and make his statement without interruption, and then when we go through the bill again questions may be asked on the various sections. Is that agreeable to members of the committee?

Hon. MEMBERS: Agreed.

The WITNESS: Article 1 contains definitions of four items. I am not sure that I need to go into that. I would like to comment on paragraph (b), which

defines the meaning of the word "council". That is the critical body in the organization, and you will notice that there is a reference to article 9 of the treaty. I should like to refer at this point to article 9 of the treaty which reads as follows:

The parties hereby establish a council, on which each of them shall be represented, to consider matters concerning the implementation of this treaty. The council shall be so organized as to be able to meet promptly at any time. The council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defence committee which shall recommend measures for the implementation of articles 3 and 5.

You will notice by the treaty itself that NATO is not in reality an organization in the sense that it has status directly equivalent to a corporate capacity.

The council is defined here; and there is a definition of the word "organisation" which includes any subsidiary bodies; and these definitions are relevant in considering the part of the agreement which follows, which is part II of the agreement, and which you will notice deals with the Organization; and Article 4 of that section gives a sort of quasi-corporate capacity to the organization which is necessary to supplement the treaty itself which provides a rather loose organization.

Are there any questions on article 1? I could give some further details, but I am just wondering if you would prefer to question me about that part of it now.

Mr. STICK: Perhaps we had better go on with the Bill and deal with it.

The WITNESS: So far as article 2 is concerned, that is a very short section which I might read:

The present agreement shall not apply to any military headquarters established in pursuance of the North Atlantic Treaty nor, unless the council decides otherwise, to any other military bodies.

By Mr. Stick:

Q. Might I ask a question there. Does that apply to military camps such as we have in Newfoundland?—A. You mean, to the armed forces?

Q. Yes.

Mr. LESAGE: With respect to that, Mr. Stick, a bill was recently passed in the House to deal with it.

Mr. STICK: I know it was.

Mr. LESAGE: A bill was passed in the House some time ago which dealt with the status of NATO forces.

Mr. STICK: And does that include naval forces as well?

Mr. LESAGE: Yes, it dealt with the status of all branches of the armed forces and included the naval forces.

Mr. STICK: It did include the naval forces?

Mr. LESAGE: Yes.

Mr. STICK: For instance, in Newfoundland they have a naval force.

The WITNESS: Yes.

Mr. WERSHOF: Might I say in that connection, Mr. Chairman, that this agreement does not deal with armed forces of NATO or any other body, any armed forces. There was another agreement, the NATO agreement which was before parliament recently and a bill was passed by the House of Commons which deals with certain privileges and legal status to be given to armed forces of one NATO country in the territory of another NATO country, and

that agreement when it came into force applied to the forces of the United States the same as to the forces of any other country. This agreement, presently before us, has nothing to do with the armed forces in any way whatever.

Mr. STICK: That is what I wanted to get clear on, and that is why I asked the questions I did about its relationship to armed forces in Newfoundland, or any member country.

Mr. WERSHOF: May I put it this way: There are certain military bodies, military committees of NATO which have been drawn into this sometimes by resolutions passed by other bodies; for example, there was one brought down in Washington just recently relating to a committee of military representatives which will be covered by this. Now this, for example, is the sort of thing that our military attaché at the embassy in Washington, who, is also our military representative on NATO, would serve on. It relates more particularly to military officers who are attached at embassies such as those we have at Washington, and other points.

The WITNESS: Mr. Wershof has pretty well covered the observations I was going to make, and he has done it rather better than I would have done myself. You will notice in this article it says, "unless the council decides otherwise, to any other military bodies." The essential purpose of this agreement is to cover what might be called the civil staff organization, the persons who are concerned with planning, rather with strategic questions. Obviously, it is rather difficult to draw a line between officers and other persons performing such functions—their functions might be described as military, but at the same time there must be a certain amount of flexibility to the agreement.

By Mr. Stick:

Q. And that would apply to all the armed forces? I think the words "armed forces" are essential, but perhaps they do not convey the full meaning intended. They use the word "military". When you use the word "military" you use it in the sense of representing all branches of the armed service rather than any specific branch? I believe we have a definition of "military" which covers all branches of the service; is that the sense in which it is applied here?—A. Yes.

Mr. STICK: That is what I would think. Perhaps we had better wait until we get down to that part of the schedule.

Mr. WERSHOF: The application of this section of the agreement is to the military committees, the military branch of the organization's activities, the standing groups who are charged with the working out of strategy and dealing with the military aspects of NATO. These military committees are not military organizations in the ordinary sense, but rather military representatives of the several countries acting on committees appointed by NATO to deal with military matters. They have a standing organization within NATO for that purpose, and these are the only military bodies that are covered by this agreement, and none of these bodies, or committees, are armed forces; they are committees concerned more with the enforcement of peace and not generally concerned with the fighting organization. They are the military committee of NATO and it has been drawn into this agreement merely for the purpose of extending to such personnel the privileges and immunities concerned.

Mr. COLDWELL: And I understand, Mr. Wershof, that the term "military" means naval, army and air force personnel?

Mr. WERSHOF: Oh yes; on the other hand, they expressly excluded from these committees the other organization which relates to SHAPE, the Paris head-

quarters of General Eisenhower, the personnel of which are not in any way affected by this.

Mr. COLDWELL: They come under a separate agreement?

Mr. LESAGE: Yes.

The CHAIRMAN: These explanations are very interesting but I believe it will be the consensus of opinion of the members that we should go on to the next article in the schedule and then when we come back to go over the Schedule article by article, we can deal with each section in more detail.

The WITNESS: Then, Mr. Chairman, if the committee are agreeable we will pass on to article 3. This article is somewhat longer and its purpose is essentially to restrict the operation or the extension of immunities and privileges and provide a means of preventing abuse in connection with them. It provides that each of the member states are to co-operate at all times in the administration of justice and in the prevention of abuses. It provides for consultations in cases where there is any suggestion that there has been abuse of a privilege; and it finally provides that in extreme cases an individual can be required to leave the country which is analagous to the right of recall, demanding the recall of a diplomat.

By Mr. Quelch:

Q. What that means in application is, I take it, that each nation shall be responsible for policing its own personnel and that a measure of discipline will be exercised which will ensure the proper observance of diplomatic practice in respect of the immunities and privileges extended. Is that, generally, the purport of this section?—A. That is essentially correct. The section relates to the application of the agreement in a general way. This article of the agreement emphasises the practical application of immunities and privileges in respect of personal behaviour as distinct from behaviour in a representative capacity; and, generally speaking, no exception would be taken to what might be regarded as usual and proper conduct in the diplomatic service.

Mr. GRAYDON: Some question has been raised about espionage. I should think the question of espionage would not be an important one in view of the fact that this is not the United Nations or a group of unfriendly countries. This is a group of people allied together in a common cause.

Mr. QUELCH: No one knows how long these nations are going to be allied together. And in the meantime we might be providing information which might be of great value to a country in the event of a break. I noticed in connection with the espionage trials here that some of the information brought out had already been printed in the newspapers. Is it a clearly indicated line of demarcation, or is it somewhat clouded? I noticed in the papers some years ago that one of our military attaches in another country was charged with having provided information which he should not have given. What information is he to be allowed to give? Is it just information that he can observe casually, or not?

Mr. STICK: That is his job. He takes his own risk if he does it.

Mr. QUELCH: No. I think he has immunity.

Mr. COLDWELL: I would think so.

The CHAIRMAN: Order, order. It is impossible to keep a record unless only one member speaks at a time.

Mr. COLDWELL: Would not espionage be information improperly obtained and forwarded to some other third party? I think that would be espionage. But anything which is legitimately obtained and forwarded would not be espionage.

Mr. LESAGE: May I respectfully submit that that has nothing to do with this bill.

Mr. COLDWELL: I know.

Mr. LESAGE: It is a completely different thing.

Mr. MURRAY: Mr. Chairman, we have heard a lot of comments today which I think serve to stir people up. We are not here to do that. We are here for the purpose of drawing up the terms of a conciliatory act. Therefore I think that to go into the question of espionage and the question of what is going to happen here and there, and all that sort of thing is wrong. I think the Canadian people should be showing an attitude of friendship instead of stirring up all these difficulties. I think we are getting far afield from the purpose of the treaty.

Mr. GOODE: In regard to the wording of the article, suppose a case of abuse did come up. I have two questions: one, if the man has been requested to leave the country by the state, how long would he have in which to leave? And two, would his immunity still prevail while he stayed in that country?

The WITNESS: That is a very hypothetical question, Mr. Goode.

Mr. GOODE: No, I do not think it is hypothetical. I do not mean it to be that way. You mentioned abuse. Suppose an abuse has taken place. We hope that it never will, but it might, therefore you have put that article in. Suppose a man has committed an abuse and has been requested by some state to leave their country. How long does he have in which to leave that country, and does his immunity continue until he leaves that country?

The WITNESS: I cannot give you an answer in very few words, but I think the answer is: if such a person is asked to leave, he has to leave within a reasonable time. And what is a reasonable time is a question of fact. If you look at the general over-all position, it is difficult for an individual in a foreign country, because apart from his immunity, he is absolutely under the control of the country in which he is stationed. It is only his immunity which protects him. Consequently he dare not abuse that immunity; and consequently, if he is asked to leave, he dare not stay.

Mr. STICK: And you see to it that he does go?

The WITNESS: That is right.

Mr. COLDWELL: Is it not a fact that where countries have asked for the withdrawal of diplomatic immunity, the person or persons involved will leave that country immediately, even within a few hours?

The CHAIRMAN: I feel that the members of this committee as well as all Canadian people want to be fair to everybody. I have permitted discussion to take place very near the borderline today because I thought it would reveal things which the people of Canada would like to know.

Mr. Low: I am certain, Mr. Chairman, that no question asked here this morning was calculated in any way to cause distress.

Mr. COLDWELL: The clearer our view is on what this actually means, the more particularly will we realize what we are liable to have happen with the persons involved.

Mr. GOODE: When a man is asked to leave the country, does he carry his immunity from the time of the request until the time he actually leaves?

The WITNESS: He would carry his immunity until he actually recrossed the border. He obviously would have protection until he recrossed the border. There are practical considerations involved. He may have to acquire passage on a trans-atlantic plane, for example. He might have to pack his bags, or his

belongings, and it might take him two or three days to get to the border. You cannot lay down any fixed rule. The general principle is that he has to leave within a reasonable time.

Mr. GOODE: And that is given as a matter of courtesy?

The WITNESS: And should he fail to leave within a reasonable time, he does so at his peril.

Mr. McCUSKER: As we have finished with part 1, Mr. Chairman, I move that we adjourn.

Mr. BATER: I would like to ask one question, Mr. Chairman, in connection with article 3. Suppose the representative of a country is asked to leave. I would take it that before that action is taken one country would discuss the matter with the other country. Might I ask if the individual would be asked to leave the country before one government had consulted with the other?

The WITNESS: There are two channels of communication, Mr. Bater. Diplomatic representatives are exchanged on a mutual basis. Consequently one country always has the alternative of going to its representatives in the other country; and on the other hand, there is the alternative of dealing with the representative of the foreign country. I do not think that I should set any general rule in that case. I think it would probably occur simultaneously through both channels. Certainly, practically every nation which has representatives in a foreign country would keep them informed on such matters as affect that country, because there are generally over-all considerations of policy affecting the relationship between the two countries that are involved. I do not know if that is a very satisfactory answer, but I do not think I should make any more of a definite statement than that.

Mr. LOW: When shall we meet again, Mr. Chairman?

The CHAIRMAN: We shall try to meet on Tuesday at 11:00 o'clock in the morning, if possible.

Mr. LESAGE: If we could not hold the meeting in the morning, because too many committees would already be sitting on that morning, we could meet in the afternoon.

The committee adjourned.

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Government
Publications

Fifth Session—Twenty-first Parliament
1951
(Second Session)

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

CHAIRMAN—MR. J. A. BRADETTE

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

TUESDAY, DECEMBER 4, 1951

BILL 15

An Act to provide for Privileges and Immunities in respect of
the North Atlantic Treaty Organisation.

WITNESS:

Mr. J. P. Erichsen-Brown, Legal Division, Department of External Affairs.

OTTAWA
EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1951

CORRIGENDA

Evidence No. 1, November 29, 1951

(By Mr. J. P. Erichsen-Brown)

Page 12, in line 13 of the Witness' evidence the word *sue* to be inserted between the words "to" and "the". That part of the sentence to read now:

"while a right has been given to *sue* the Crown in various Commonwealth jurisdiction,"

Page 13, line 3 thereof, the word *non* to be inserted between the words "general" and "statutory". That part of the sentence to read now:

"general *non*-statutory law"

Page 18, line 19 thereof, the word "liaison" to be deleted and the word *discussion* inserted therefor. That part of the sentence to read now:

"The basis of *discussion* in the preparation of the agreement"

MINUTES OF PROCEEDINGS

TUESDAY, December 4, 1951.

The Standing Committee on External Affairs met at 11.00 o'clock a.m. this day. Mr. Bradette, Chairman, presided.

Members present: Messrs. Bater, Benidickson, Côté (*Matapedia-Matane*), Dickey, Fraser, Gauthier (*Lac-St. Jean*), Goode, Graydon, Lesage, MacKenzie, Macnaughton, Murray (*Cariboo*), Richard (*Ottawa East*).

In attendance: Mr. J. P. Erichsen-Brown and Mr. E. R. Rettie, of the Legal Division, Department of External Affairs, and Mr. M. H. Wershof, of the Defence Liaison Division, Department of External Affairs.

The Committee resumed consideration of Bill No. 15, An Act to provide for Privileges and Immunities in respect of the North Atlantic Treaty Organisation.

Mr. Erichsen-Brown continued his detailed statement in explanation of the Articles contained in Part II and Part III of the Schedule to the Bill, and was questioned thereon.

During the discussion on Article 8 of Part II of the Schedule to the Bill the witness tabled the following documents:

A publication of the Department of External Affairs entitled, "Revenue Exemptions and Miscellaneous Privileges granted in Canada to Representatives of Foreign and Commonwealth Governments," and A notice of the Foreign Exchange Control Board for Diplomatic Officials.

Ordered,—That the said documents be printed as appendices "A" and "B" respectively to this day's Minutes of Proceedings and Evidence.

At 12.50 o'clock p.m. the examination of the witness was adjourned to the next meeting of the Committee.

Thereupon the Committee adjourned to meet again at the call of the Chair.

R. J. GRATRIX,
Clerk of the Committee.

EVIDENCE

December 4, 1951

11.00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum and it is in order for us to proceed. I understand that Mr. Lasage is not yet ready to make his statement on the status of high commissioners and ambassadors. Therefore, we shall call upon Mr. Erichsen-Brown.

Mr. J. P. Erichsen-Brown, Legal Division, Department of External Affairs called:

The WITNESS: Mr. Chairman and gentlemen: I think we will be concerned this morning chiefly with the details of the sections of the bill which we have not yet covered. But there is one point I would like to clear up in connection with the record of the last meeting.

I have Mr. Lesage's permission to amplify a statement which he made in regard to the judgment of the Supreme Court of Canada in 1943. The members of the committee recall that the status of high commissioners was under discussion and it was explained that in so far as it was within the administrative competence of the government courtesies were extended on the same basis to high commissioners as to diplomatic representatives of foreign governments.

The point which I would like to clarify is that it was not strictly the status of high commissioners as such which was before the court in 1943. Rather it was a question of the right to exemption from taxation of the residences occupied by the high commissioners of the United Kingdom and Australia, but which were in fact owned by the Crown in right of the United Kingdom and the Crown in right of Australia respectively. The Court considered the provisions of the Ontario Assessment Act which exempted the Crown in general terms and held that these premises were exempt from taxation.

Mr. Lesage read the first paragraph of the headnote of the report of the judgment of the Supreme Court and I would suggest that the rest of the headnote might also be placed on the record.

(Per Kerwin and Hudson JJ., dissenting: Such property may be assessed and made liable for taxes although (per Hudson J.) the liability may not be enforceable so long as the diplomatic immunity continues.)

In view of the express terms of s.4 (1) of the Assessment Act, R.S.O. 1937, c.272, and of s.32 (j) of the Interpretation Act, R.S.O. 1937, c.1, a municipal corporation has no power to impose taxes upon property therein owned by the Crown in right of the United Kingdom and in right of Australia and occupied by their respective High Commissioners.

I think that putting in the balance of the headnote helps to clarify the effect of the judgment in so far as the right of exemption of the Crown, and the right in respect to other commonwealth countries is concerned.

Gentlemen, we completed consideration of part 1 of the bill which is entitled "General"; and we now come to part 2 which bears the title "The Organisation".

Article 4 is a short and simple section which confers juridical personality upon the organisation and it is tied in with the definition in article 1, as I pointed out the last day. The only observation I might make on this section is that the organisation would not in practice acquire property unless it was strictly necessary for its operations, and that it would in any event have to acquire such property in accordance with national laws.

The CHAIRMAN: Are there any questions?

By Mr. Goode:

Q. I am not sure whether or not my question is on this article, but I want to go back and develop something that I tried to find out last week. You remember that I asked some questions regarding the ordering of foreign personnel from a country. It seemed to me at that time that the answer was not forthcoming and if I can put it in my own words, perhaps you can answer it today with a yes or no. Is the important thing in ordering foreign diplomatic personnel from our country to be considered from the angle that we also have representatives in their country overseas, and would the well being of our own people be connected with the same order that this government may have to give to foreign personnel in this country? I hope I make myself clear. If, for instance, we ordered someone for cause from an embassy in this country, would we then have to consider the effect it might have on our Canadian personnel in the country concerned?—Am I right in that supposition?—A. Yes.

Q. Is it a supposition, or is it true?—A. That is entirely correct, Mr. Goode.

Q. Thank you very much. That is what I wanted.

By Mr. Graydon:

Q. I was going to ask a question about the spelling of the word "organisation"; but I have since consulted the dictionary and I find there is an alternative spelling for it. It looked like a strange way to spell it, but I have looked the word up and I see there is an authority for it.—A. Article 5 begins:

"The organisation, its property and assets, wheresoever located and by whomsoever held, shall enjoy immunity from every form of legal process except in so far as in any particular case the chairman of the council deputies, acting on behalf of the organisation, may expressly authorise the waiver of this immunity. It is, however, understood that no waiver of immunity shall extend to any measure of execution or detention of property."

Again, there is the same general principle that the immunity of the organisation may be waived in the same way that the sovereign immunity of a state may be waived, and in the same way that the immunity of a diplomat may be waived.

Q. Would it be necessary? Is there a likelihood that the chairman would not be sustained in a ruling he might make under this article? And what would be the procedure if it happened that he was not sustained?—A. I think that would be most unlikely.

By Mr. Graydon:

Q. I think that is covered by the terms of the article, in any event, because they say: "acting on behalf of the organisation". But I was going to ask Mr. Erichsen-Brown why the exception in the last sentence of article 5, which reads:

"It is however, understood that no waiver of immunity shall extend to any measure of execution or detention of property."

Just what does that involve?—A. That is an interesting sentence and it is a provision which is generally inserted in an agreement of this sort. I think I could answer your question more definitely by reference to a specific example. Suppose a question arose under the terms of a lease. Let us say the lease is for rented property for the organisation and let us suppose that some question arose as to the construction of that lease. Now, the members of the committee who are lawyers will appreciate that the law of landlord and tenant is a rather technical thing. It may involve reference to our statutory law and to the Short Forms of Lease Act and that sort of thing. It is not the sort of dispute which could readily be determined in a foreign country. Consequently that is why in practice when any problem arises between a foreign state or a diplomat or otherwise in connection with a lease, there is generally a waiver of immunity and a willingness to have the matter resolved here. But the question of taking action to enforce a judgment which might be given in our courts involves rather different considerations.

If the foreign government has agreed to submit the question for judicial determination of the issues, then it might not be willing to agree, once they have been determined, that the private litigant (who might have a rather prejudiced attitude towards the foreign government), would immediately put in a bailiff, or do something of that sort.

Obviously there has to be an opportunity for the foreign government to consider the decision and to submit the issues to the court for determination without having to bind itself at the same time to submit to the seizure of its property, if the judgment happens to be adverse to it.

Q. As far as our federal jurisdiction here is concerned it does not, and it cannot invade the field of property and civil rights. Now, how far can the federal government, in planning an agreement, settle this point with respect to provincial administrations in Canada, and with respect to carrying out the terms of the last sentence, for instance, in article 5?—A. That is an interesting question. May I divide your question into two parts? First of all, I would like to refer to the general position and to the question of sovereign immunity of states and the diplomatic immunity of the diplomatic envoys. In so far as they are concerned, immunity is accorded under principles of international law, which are deemed to be incorporated into our domestic law. That means the common law of the provinces in which the common law operates, and it also means the law of the province of Quebec.

I am not an expert in that regard, but the Supreme Court of Canada in the case to which reference has been made went into this question of sovereign diplomatic immunity at considerable length and indicated that it went back for a great many centuries, and the judges quoted quite freely from authorities in the French jurisprudence. The consequence is that these principles are deemed to be included in our domestic law, and the court held that all legislation, dominion or provincial, must be construed as saving to the rights of foreign states and their diplomatic envoys. In other words, there is a rule of construction which prevents provincial legislation extending so as to infringe upon the sovereign immunity of a foreign state or of a diplomatic envoy. That is the first part of the question.

Now, the second part concerns organisations such as NATO and I mentioned on the last day that the international law was in process of development and has not yet reached a stage where it could be said that immunity for international organisations as such is established. But the tendency is in that direction and the practice of according a limited immunity to the extent necessary to these organisations has become quite widespread. Accordingly, it depends essentially on the constitutional powers of the federal government,

and the best answer I can make is that our opinion, and the best advice we have had, is that the granting of this sort of thing is essential to the carrying out of our external obligations, and that the federal government has the power.

By Mr. Goode:

Q. Let me develop that point for a moment. You will remember that I am not a lawyer. What would be the status of the international court of justice, for example?—A. The international court of justice is the modern name. Before the United Nations was established there was an international court which was called the Permanent Court of International Justice.

Q. Well, what is their status in connection with this? For instance, is there any status regarding the seniority of that court over our courts in Canada? I am asking perhaps a question which you, as a lawyer, might be able to answer.—A. Yes, I think I understand the idea you have in mind. The best answer is I think that an international court is concerned essentially with questions as they arise between states rather than as between individuals.

Q. Yes.—A. And our domestic courts are concerned primarily with individuals.

By Mr. Graydon:

Q. Coming back to the question of dominion and provincial jurisdiction, the parliamentary assistant, Mr. Lesage is here and he will recall that at the last United Nations general assembly meeting in New York the question came up on one issue at least with respect to a federal clause which would protect provincial jurisdictions from certain decisions which might be made by the federal government acting as an international body. I would think that perhaps this might stand on a somewhat similar ground because it seems to me, just taking a hypothetical example, that in the years to come perhaps this organization might be replaced by another organisation, or perhaps this organisation might not proceed, or might wind up its affairs; and it might be that a long-term lease was involved on a building, let us say, here in Ottawa; and it might be that some person in the province of Ontario desired to take some legal action with respect to the terms of that lease. Now then, what action could he take, and against whom could he take it? He would be on the outside, according to this, and he would not be able to take his action because the federal government had said: "no"; whereas the provincial law was the one which applied and it would say "yes".

Now, how far can we go with respect to binding a lease? How far can we go in impeding the rights of a person who depends on the provincial law for those rights and who in a bona fide way enters into that contract under the full belief that the provincial laws prevail?—A. Let me point out, Mr. Graydon, as I did at the last meeting, that this question of immunity is one of immunity from the jurisdiction rather than a relief from all obligation to obey the laws as such. Foreign diplomatic representatives are expected to carry out their contractual obligations voluntarily undertaken, and the practice is very widespread among governments to honour those obligations.

It is, of course, conceivable that a question might arise on the technical construction of a contract. That is a situation I envisaged a few moments ago. Therefore if this person to whom you refer thought he had a claim and if there was any doubt as to his rights to sue, the first thing he would normally do would be to get in touch with us. We constantly receive letters from lawyers in circumstances of this sort inquiring as to a person's status and we at once ask questions and if it appears to us that something should be done, we endeavour to have it done. We endeavour to clear the thing up through diplomatic channels rather than allowing it to go to the courts at all. Consequently, the problem which you envisage tends not to arise in practice.

Q. It could arise but it does not tend to arise?—A. That is right.

Q. May I say this: actually we will have to understand that so far as this is concerned it does not tie up all the ends, but you have to rely rather on the diplomatic situation than on the legal aspects of it in some cases?—A. That is right. It comes back essentially to the remedy, to the way, to the recourse you have, through diplomatic channels rather than through the courts.

By Mr. Macnaughton:

Q. Is it fair to say that this particular sentence would be in effect a statement of general principles rather than one of sound international laws?—A. I would say, Mr. Macnaughton, that in cases where foreign government or envoy is involved in order to have a judicial determination on some question which might arise, let us say, on a contract, he would normally include a proviso in his waiver that the waiver would not extend to any measure of execution upon a judgment which might be realized following a judicial determination of the question.

Q. And following Mr. Graydon a little further, I take it that peace, order and good government would provide the right in practice to cover any situation fundamentally; the legal situation would have to be determined in favour of the local parties?—A. If the question of immunity depended upon customary international law, then under the judgment of the Supreme Court, any provincial legislation would have to be construed as saving to the rights of the foreign sovereign or diplomatic envoy.

By Mr. Richard (Ottawa East):

Q. Would it not sometimes happen that the federal government on account of granting this immunity would have to be responsible for some of the obligations incurred by these people, if they did not follow them through?—A. Well, in practice it is rather difficult to make a general statement. But my impression is that in practice these people are seldom out of pocket.

Q. But are we not depriving citizens of their recourse when we grant this immunity? And what happens in the case of taxes levied against a legation here? Is that a special case? Does the city recover from the government?—A. Yes. There is some indemnification given in the Ottawa area and it is similar to the indemnification given by the federal government in connection with the taxing of crown lands.

By Mr. Goode:

Q. Are taxes on a foreign embassy paid by the country whose embassy it is, or are they paid by the Canadian government?

MR. RICHARD (*Ottawa East*): They are paid by the Canadian Government.

THE WITNESS: There is partial indemnity given by the federal government to the municipalities in the Ottawa area only.

MR. GOODE: Just in this Ottawa area only?

THE WITNESS: Yes.

MR. GRAYDON: It is news to me to hear that the federal government pays the taxes for foreign diplomats residences in Ottawa. I suppose it is a reciprocal arrangement which we have in other countries? I take it that is the case, otherwise we would be open to question as to whether or not that is a proper thing to do.

MR. DICKEY: No. That would be a question surely between the municipality involved in the other country and their own government. I do not think there would be any principle of reciprocity between Canada and any other country involved.

The WITNESS: I think that is purely a matter of domestic arrangement. There is some concentration of property in Ottawa and it tends to create a burden on the local municipality.

Mr. GRAYDON: What about the Russian embassy in Ottawa? Who pays the taxes on that big building?

Mr. BENIDICKSON: We do.

Mr. GRAYDON: We do?

Mr. GOODE: I think we should get the answer from Mr. Erichsen-Brown. Is Mr. Erichsen-Brown willing to answer that question?

The WITNESS: We do not discriminate between foreign individuals. We could not.

Mr. RICHARD (*Ottawa East*): The answer is "yes", is it not?

Mr. GRAYDON: Do they pay the taxes on our embassy in Moscow?

Mr. DICKEY: That would be a question between the city council in Moscow and our government representative there.

Mr. GRAYDON: We would not have to pay the taxes in both place, surely?

Mr. DICKEY: We do not. We are exempt as I understand it from taxes on our embassy in Russia. But the government here considers it would be unfair to impose on the City of Ottawa the burden of these embassies. The Russian government might take that view so far as the city of Moscow is concerned, or the French government might take that view as far as the city of Paris is concerned.

Mr. LESAGE: It is a domestic decision.

Mr. DICKEY: Or they might think there are benefits to the municipality which flow from having these tax-free properties on their roll. But the general principle is that the property of a foreign embassy is tax-free. That is the way I understand it.

Mr. BATER: Is there a reciprocal arrangement between the United States and Canada in this connection?

Mr. LESAGE: It is clear that it is not taxable by the municipality. That is what the judgment of the Supreme Court says.

Mr. RICHARD (*Ottawa East*): This is one case where the government indemnities; one small case on account of the fact that they have their own immunity from those provincial or civic rates.

By Mr. Fraser:

Q. Does the federal government pay out anything or is it generally granted by the city of Ottawa?—A. I think the answer is that we cannot distinguish between foreign governments whether it is a question of exemption of immunity on the one hand, or a matter of domestic arrangement on the other hand. The federal government has for a great many years indemnified municipalities for crown property. I think that is a well known fact. And in this particular case a number of foreign governments have come into the Ottawa area and the municipalities are given some small compensation or partial compensation for the taxes which they have lost. It is given on a basis rather similar, it seems to me, to the motives which underly it, that is, that they have nothing whatever to do with the fact that the property happens to be that of a foreign government.

By Mr. Goode:

Q. Actually, it is a service rendered by the municipality.—A. It is purely a domestic arrangement within Canada stemming out of the desire that

a municipality should not be overburdened by reason of a great number of crown-owned properties, or foreign government owned properties in a given area, as contrasted with Canada at large.

Mr. BENEDICKSON: Under what department in the estimates are these taxes covered?

Mr. LESAGE: I think it is the Department of Finance. You will remember that there was a bill concerning it last year, or two years ago.

Mr. BENEDICKSON: Prior to that time, did we have this practice in vogue, or was this only brought about as a result of the bill?

Mr. LESAGE: I have been wondering about it.

Mr. DICKEY: Perhaps we might resume this discussion after we know what the facts are.

The CHAIRMAN: Yes. I do not believe we can go into all the financial details of that question.

The WITNESS: This is all under the Department of Public Works.

Mr. WERSHOF: Mr. Chairman, I think the vote was transferred some years ago. There is, of course, a sum which is voted by parliament to provide for this partial reimbursement of the municipalities. But whether or not it is Public Works this year, I do not know. I have not looked at the estimates.

Mr. MACNAUGHTON: When you come to the next meeting of the committee we can clear it up.

Mr. WERSHOF: But there is a vote.

Mr. GOODE: Could you not tell us about it at the next meeting?

Mr. LESAGE: Oh yes.

Mr. GRAYDON: It may not apply to this bill which is before us, but on the other hand, I think it is very closely allied to it. So I think that a full explanation would be very helpful in connection with the bill.

Mr. RICHARD (*Ottawa East*): I take it that they cannot force a member of a foreign embassy to submit to our courts, but if he cares to do so, he may?

The WITNESS: Yes.

Mr. RICHARD: Suppose there is an unsatisfied judgment, would the government consider that they should indemnify the Canadian citizen who has not been satisfied?

The WITNESS: I am not aware of that situation ever having arisen but certainly we would put on pressure to see that it was paid. I think the answer is that it would be paid.

Mr. RICHARD: You never heard of such a case?

The WITNESS: No.

Mr. FRASER: Is there not a radius outside of Ottawa which would include, let us say, a 60-mile limit, or something like that?

The WITNESS: Immunities are part of the general law of Canada.

Mr. FRASER: It would include the whole of Canada, no matter where they are?

The WITNESS: Yes.

Mr. FRASER: But are not some of our ambassadors limited to a certain area in the countries into which they go?

The CHAIRMAN: No.

Mr. FRASER: I think so.

Mr. DICKEY: That is not a question of immunity. That is a question of impeding movement within the country.

The CHAIRMAN: I have allowed quite a wide latitude in the questions asked and answered.

The WITNESS: Mr. Chairman, I prefer not to go into that, if the committee will excuse me, because I think it involves a question of policy beyond the sphere of a member of the legal division.

Mr. FRASER: Very well.

The CHAIRMAN: Article 6.

Mr. GRAYDON: It is understood, Mr. Chairman, that article 5 will stand?

The CHAIRMAN: Of course. I believe we settled that at our first meeting with Mr. Erichsen-Brown. We decided that he would make a general statement and also deal with any questions which might arise. And I hope that such questions will not be repeated when we come to the articles again. I believe we have so far done excellent work in putting these questions.

Mr. FRASER: We are now on article 6, are we not?

The CHAIRMAN: This is not the time for a long discussion, Mr. Fraser. We have Mr. Erichsen-Brown before us today to make a general statement.

Mr. FRASER: Very well.

The CHAIRMAN: I would like to have it done in this way at the present time.

The WITNESS: Article 6 provides for inviolability for any premises which might be acquired by the organisation. This article 6 differs from article 3 and the sections on privileges and immunities of the United Nations, in a minor respect.

Following the words "form of interference in the convention" in regard to the privileges and immunities United Nations Act, 1947, there was included the words:

Whether by executive, administrative, judicial or legislative action.

The opinion was held that these words were really unnecessary and that they simply tended to complicate the section. So they were accordingly omitted. The concluding part of this short section includes the word "expropriation", and I might direct the members of the committee to the fact that on the last page of the bill, page 11, there is a reference to the signature of Portugal and of the Portuguese delegate who added, after his signature, these words:

Reserving the non application of article 6 in case of expropriation.

No other state considered it necessary to make a reservation from that article. The possibility of the organisation acquiring property and wanting to expropriate was so hypothetical and so remote that it could not possibly be regarded as a matter of practical importance. We also considered that we had a practical remedy under article 3 which is the section we discussed the last day, intended to avoid abuse of the privileges given under the agreement. That is a comparatively minor matter; but since it does appear following the signature of the Portuguese representative, I thought I should call attention to the reservation.

Mr. GRAYDON: May I ask a question now, Mr. Chairman?

The CHAIRMAN: I believe so. And when we come to the articles again and the bill, while of course there is not set rule about it, I hope that the questions will not be repeated. I believe the work we have done so far has been excellent.

By Mr. Graydon:

Q. In this case, suppose that NATO had purchased premises here in Ottawa, and suppose that the capital plan was extended to the point where it took in

that particular building. Then, when we find disagreement we would in fact be saying to the capital planning board: "Well, you may complain, but you cannot complain so far as the NATO building is concerned."

Now, just how far are we going, in taking that step?—A. Mr. Graydon, that is technically correct, perhaps; but on the other hand NATO has no property in Canada and there is very little prospect of its acquiring property in Canada. And might I say that countries such as the United Kingdom, France and the United States which are much more concerned with the application of this paragraph have not seen fit to make any reservation to the article.

Mr. MACNAUGHTON: Article 3 would surely cover it too.

The WITNESS: Yes, there is a remedy by discussion.

Mr. GRAYDON: Discussion and consultation hardly take the place of legal rights. I am not pressing it at the moment, but I think it could conceivably amount to something that was an interference with the rights of a municipality, such as the rights of a planning board which we have discussed here.

The CHAIRMAN: Do you have in mind NATO putting up a new building?

Mr. GRAYDON: They might buy a place here for some purpose in order to carry on certain operations of the organisation's activities. If that should come about, then of course expropriation would be ruled out completely, and I think it would be ruled out so far as long-term leases are concerned as well.

Mr. LESAGE: I am sure that no one has to be afraid of such an occurrence because here in Canada, as the witness has said, there is very little prospect of NATO acquiring any building. Moreover, under article 3 of the agreement it is always possible to seek a remedy. And there has been no trouble. That is our experience.

Mr. GOODE: And if there was a possibility of NATO acquiring a building in Canada, this would be considered as a part of the general over-all plan, and the government would take it into consideration.

The WITNESS: Mr. Rettie has drawn my attention to article 27, which provides for denunciation within a period of one year.

Mr. GRAYDON: I do not think that article 27 is applicable to this at all.

The WITNESS: It is an example of ultimate recourse. I quite agree with you, that it is not a practical question. This question would not arise and the chances of our acting under article 27 are very remote. But a technical view was taken of article 6 and I thought that I might take a technical view with regard to article 27. But the answer probably is that the situation that you envisage under article 6 won't arise, and consequently the necessity for taking any action under article 27 similarly would not arise.

Mr. GRAYDON: But if we took action under section 27, there would be serious international opposition to it, and would it not perhaps be justified even if we said to the capital planning board "that is the arrangement." But I think that hardly is the remedy that is really open to us.

Mr. RICHARD: I think that some of us are interested in this point and I think it might be discussed at the next session. The discussion of immunity generally of foreign embassies is applicable to NATO particularly and what we are discussing today. So I think that perhaps some of the examples we have given today would not apply to this particular bill but rather that the general law would apply to embassies and to foreigners in this country.

The WITNESS: I would recommend to you, sir, that you consider the judgment of the Supreme Court of Canada in 1943, I mean the one which was put on the record at the last session. The court examined the whole question of immunity and I think it would clarify the whole problem for you.

Mr. RICHARD: That does not mean that our position is satisfactory, even though they said it was the law.

Mr. LESAGE: We need these privileges of immunities on behalf of our own envoys.

Mr. RICHARD: I know they are very well treated in Canada.

The WITNESS: I would like so far as possible to stick reasonably close to this agreement in so far as this agreement is concerned with the existing position. We actually receive far more than we have to give. That arises from the fact, as Mr. Wershof pointed out on the last day, that the offices of the organisation are in the United Kingdom, France, and the United States as well as in Canada. And incidentally, that is of some indirect benefit to the Canadian taxpayer because there are certain expenses of representatives which are avoided in other countries, and on balance it is to our advantage.

Mr. GOODE: I may be wrong, but I think this question of immunity is tied up with the question I asked and to which I have not had an answer. Mr. Lesage did not answer my question in regard to the high commissioners' establishments in Canada and for a reason which I quite understand. But I do not think we are going to get very far on this immunity question until we get an explanation of the status of our Canadian representatives. It may be that the question I asked on page 21 means more to me, but until I get an answer to that question a discussion of immunity between this country and other countries is not going to help me. I quite understand why the parliamentary assistant did not answer my question. I understand it is a matter of policy and that it would be improper for him to answer it at this time. But I would be anxious to hear an answer.

Mr. MACNAUGHTON: Let me say that I am going to study the question of immunity by reading the Supreme Court Judgment.

The CHAIRMAN: Let us come back to the question asked by Mr. Graydon.

Mr. BENIDICKSON: I do not see Mr. Goode's question on page 21.

Mr. GOODE: I am sorry. It is on page 11. My glasses are not effective. It is the fourth question on the page. It might be that that question means more to me than it does to the rest of the committee.

Mr. LESAGE: I cannot tell you anymore at this time than I have told you: namely, that I wished to delay my answer to that question for very good reasons.

Mr. GOODE: I understand and I think you are quite right if you do not want to answer.

The CHAIRMAN: With respect to the question Mr. Graydon asked about the inviolability of the premises of the organisation, it is true that at the present time they have no property here, and it is true that it is not the intention of NATO to have any. But in time they may decide to acquire some; and even at the present time there are some embassies which own their own property. So I think there should be a safeguard provided in the Act for the federal improvement plan. After all, the country and the city of Ottawa are making a big monetary sacrifice in order to have a plan accepted by all, and these plans should not be interfered with by any organization. So I think there should be a safeguard provided. It certainly should apply to Ottawa. I leave that question with the committee at the present time. Surely no one will allow a country or anyone within NATO to interfere with the improvements we have here in Ottawa. They have been accepted by the whole country.

Mr. CÔTÉ: Would NATO at any time supersede the jurisdiction of the federal government?

The CHAIRMAN: It has, under article 7, inviolability of its premises.

Mr. Côté: Consider an agreement made between a foreign state and Canada, or between an international organization and the city of Ottawa, or whatever it may be called at a later time such as the Ottawa District. That is not going to come into the picture at least for the time being.

The CHAIRMAN: No, it is not but it is in the picture.

Mr. LESAGE: NATO would surely never buy any property in Ottawa before approaching at least the External Affairs Department to know what is going on. There is no danger of these things happening.

The CHAIRMAN: No. We are trying to prevent any complications.

Mr. LESAGE: The fact is that we are dealing with 11 friends; we are 12 friends together in NATO as an organization, and we have our say in it. They would never buy anything in Ottawa without approaching us beforehand.

Mr. RICHARD: I cannot see why that provision was put in there, I mean the reservation that it should not apply to expropriations. We are putting in words that would never apply.

Mr. LESAGE: Here in Ottawa, no; but there might be some expropriation elsewhere.

Mr. RICHARD: Why should we put these words in if there is not going to be any expropriation?

Mr. LESAGE: This is an international agreement and in order for it to be put into force it has to be ratified by the 12 countries. Some portions of it will never apply to Canada; some others will apply regularly in Paris or in London.

Mr. RICHARD: To me it is just being technical.

Mr. BATER: Are we not just dragging a red herring across it? It seems to me that what we are discussing is very close to that, because it is so hypothetical.

The CHAIRMAN: I suppose we have been working in the abstract. But after all, the discussion has been quite useful. I think we might now proceed with the bill.

The WITNESS: If there are no further questions on article 6, I pass on to article 7 which deals with "Archives" of the organization. The article reads as follows:

The archives of the Organisation and all documents belonging to it or held by it shall be inviolable, wherever located.

The CHAIRMAN: Do you not wish to agree with that? That is why I said that the discussion we have had before was good.

The WITNESS: That is substantially the same as an article in the convention on privileges and immunities of the United Nations which was approved by parliament in 1947.

Mr. MACNAUGHTON: Why is special exception made for the archives? It is just because archives are so important?

The WITNESS: I do not know if the practical application of this article is very great. I have not very many notes on this section, Mr. Macnaughton.

Mr. MACNAUGHTON: It is just a broad statement of the old principle of immunity. That is all.

The WITNESS: That is right. I think the answer probably is that all the text books you look at on immunity invariably list the archives as one of the things which are immune. So it has been put into this agreement dealing with the international organization. It appears in all agreements of this sort, and it is a provision which is readily accepted.

The CHAIRMAN: Since there has been a brief statement made on this subject, might we now pass to article 7. I think it would simplify our work.

Mr. CÔTÉ: They could all pass except article 6.

The CHAIRMAN: None has been passed so far because we are supposed to receive a general statement from Mr. Erichsen-Brown. But we have now had a general discussion on these different articles, so I believe the time has come, if the committee is unanimous about it, to pass article 7.

Mr. DICKEY: We seem to be dealing in quite some detail with all of these articles. It may be that we could proceed to the final determination of this one.

The CHAIRMAN: Yes.

Mr. DICKEY: Otherwise we are going to have to go over all this again.

The CHAIRMAN: The clerk tells me that some of the members who were at our last meeting are not here today, and that they might like to ask some questions. But they always have the prerogative to do so. I think it would be unfair to those present if we held back. Does article 7 pass?

Carried.

The WITNESS: Article 8 is a little longer. It is a comparatively simple section. It is simply intended to enable the organisation to transfer its funds from one member country to another. I do not think I need to read it. It is similar to sections 5 and 6 of the Privileges and Immunities of the United Nations. As to funds which might actually be transferred, I do not think it is possible to make a very definite statement, but I believe that in the course of the discussion it was considered that the funds which might be transferred might be contributions made to the organisation which formed a part of its funds and which came originally from a member state; or it might involve transfers of salaries from the organization to countries of origin.

In certain cases special arrangements may be made under article 19—let me mention that in passing I am going to deal at some length with article 19 which involves the question of taxation of nationals. As to conversion I have a note that the only form of exchange which a country would be called upon to make under this article was between its own country and any other NATO country. I think that with that short explanation there is probably little more I could add.

Mr. FRASER: These funds would not have to come through the international bank, would they?

The WITNESS: No.

Mr. MURRAY: Would the organisation have the right to operate a bank under that article?

The WITNESS: I brought with me today two documents. One is a printed document published by our department. It sets forth the revenue exemptions which are granted by the Government of Canada to representatives of the commonwealth and of foreign governments. And there is in it a reference to a memorandum of the Foreign Exchange Control Board which is also a printed document, and which is furnished to representatives of foreign countries on request.

This whole question of private funds is really a technical problem which is beyond me.

Mr. FRASER: I wondered if they had to go through the international bank.

The WITNESS: No. The answer to your question is "no".

The CHAIRMAN: Do you agree to having these documents placed in our record as appendices?

Mr. GRAYDON: What are those documents, Mr. Chairman?

Mr. LESAGE: The first one is a document of the Department of External Affairs entitled

"Revenue Exemptions and Miscellaneous Privileges Granted in Canada to Representatives of Foreign and Commonwealth Governments."

The second one is a notice of the Foreign Exchange Control Board for diplomatic officials.

By Mr. Graydon:

Q. With respect to the point you have just explained, Mr. Erichsen-Brown, does our own Foreign Exchange Control Board approve of article 8 before our government signs it?—A. Yes.

Q. It is thoroughly considered by the Foreign Exchange Control Board?—A. Yes.

Q. And they have no objection to article 8?—A. They have no objection to article 8.

Mr. MACNAUGHTON: Surely the important words are in paragraph 1 subsection (b) "Operate a foreign currency account with a bank in Canada and make deposits to and withdrawals therefrom without permit."

Q. Yes.

The CHAIRMAN: Shall article 8 carry?

Carried.

Shall article 9 carry?

ARTICLE 9

The Organisation, its assets, income and other property shall be exempt:

- (a) from all direct taxes; the Organisation will not, however, claim exemption from rates, taxes or dues which are no more than charges for public utility services;
- (b) from all customs duties and quantitative restrictions on imports and exports in respect of articles imported or exported by the Organisation for its official use; articles imported under such exemption shall not be disposed of, by way either of sale or gift, in the country into which they are imported except under conditions approved by the Government of that country;
- (c) from all customs duties and quantitative restrictions on imports and exports in respect of its publications.

The WITNESS: Article 9 provides that the organisation is to be exempt from taxes. Essentially that is in line with the general principle that no state seeks to force another sovereign state to contribute to its exchequer. Obviously you cannot tax a foreign state, and an international organisation which includes members of other foreign states in a similar position.

Mr. FRASER: In this article 9 the organisation is exempt from all taxes except public utility charges. Do the foreign embassies here in Ottawa, while they are tax exempt, have to pay public utility charges?

The WITNESS: Yes, they do, they have to pay the Hydro rates and the water rates even though they are issued in connection with the tax bill. We insist that the water rates be regarded as a matter of services rendered rather than a matter of tax raised for the purposes of government in Canada.

Mr. FRASER: And they would have garbage collections too, would they not? Would that go into it?

The WITNESS: Garbage collection is something which I think is generally regarded as making up a part of the general rates.

Mr. FRASER: I see.

The CHAIRMAN: And that applies with respect to representatives abroad. We had the same thing before.

The WITNESS: Mr. Bradette, the precise basis of taxation in different countries varies between one country and another; there may not be such a thing as garbage collection in a given country.

The CHAIRMAN: You mean they would pay for such services as water, light, and so on.

The WITNESS: That is correct. The general principle is that they pay for services but not for taxes. That principle is widely accepted.

The CHAIRMAN: Shall section 9 carry?

Mr. GRAYDON: I am not quite sure about that term "taxes". Now, you mentioned a moment ago that the principle is that there is no international agreement which would compel one nation to contribute to the exchequer of another nation?

Mr. GRAYDON: But in this case, in our particular set-up in Canada, it is not a question of contributing to the exchequer of another nation. It is a question of contributing to the exchequer of another province. And I am wondering whether or not we are in a different position in Canada than any other of the signatories of NATO.

The WITNESS: I might make an observation arising out of your question: this is something which is not often appreciated but as a matter of fact under international law the constituent units of a federal state do not exist. What I mean is that it is the government of Canada which is held responsible internationally—speaking for the obligation of Canada as a whole, and the federal government cannot excuse non-performance of its international obligations because of its constitutional provisions.

Mr. LESAGE: I think I know what Mr. Graydon has in mind. He is thinking perhaps of the draft covenant on human rights which was discussed at the last meeting of the General Assembly in New York and also this summer in Geneva at ECOSOC. But this is a different problem from the covenant on human rights. The covenant would apply new rules of law in every signatory country, dealing with matters which in certain countries such as Canada pertain to provincial jurisdictions, while this is different because the principles regarding immunities and privileges have been considered as being part of the law of Canada since a very long time. That is what the judgment of the Supreme Court of Canada said. Is that not right?

The WITNESS: You are quite right, Mr. Lesage. I would put it this way: that there has recently been an increase in subjects which have come into discussion in international forums where the basic objective of the discussion was to bring national law up to international standards. When you are dealing with a question of that sort, it is perfectly obvious that the provinces have to enact their legislation, and everything that is done as a matter of implementing that international obligation must be done directly in accordance with constitutional divisions of power.

Mr. GRAYDON: I think that constitutes an invasion of provincial rights, even though the Supreme Courts' judgment so held that it is possible. I think that whether it is done by judicial or legislative means it certainly would be an invasion and we cannot get away from that principle. I think that where you legislate nationally on subjects that affect the jurisdiction of a provincial legislature, you certainly are invading the rights of that legislature. I would

have thought that perhaps the legislature of a province where these properties might be situated—because they might not be in Ottawa—or the province in question ought at least to have been consulted so that they themselves could have made some provision with respect to their tax structure. I know that you point to the Supreme Court, but the Supreme Court does not answer my question because the Supreme Court is invading, in my opinion, the position as between the dominion and the provinces. I think these trends are extended, and I think the principle now seems to have been established, but I am not sure where we go from here. I am concerned about it and I think the question ought to be raised. However, I am not going to press it at the moment.

Mr. LESAGE: You will remember that I expressed my view to you last summer on the difficulties which the federal parliament faced because of its international obligations and at the same time the difficulty of respecting the autonomy of the provinces. As you know, I have been very concerned about it and my minister has always been very concerned.

You know how strongly I defended the principle with respect to the government including a federal clause in the proposed covenant on human relations.

Mr. GRAYDON: Yes, and I was quite in agreement with it.

Mr. LESAGE: I strongly urged that we should have a federal clause because we feel we should have one to respect the autonomy of the provinces. But this is quite a different position. We are not dealing with an international board or a covenant of law which would affect the jurisdiction of the provinces. Not here. We are dealing with immunities and privileges that have been recognized by our own law and which form a part of the law not only of Canada but of the provinces. That is what the Supreme Court of Canada says. So we are not touching the autonomy of the provinces. We are respecting the law.

Mr. GRAYDON: Whether it be done by this agreement or by a judgment of the Supreme Court, I think we are taking away certain provincial rights which were given to the provinces under the British North America Act, namely, to apply certain taxes from real estate within their domain.

Mr. LESAGE: The privileges and immunities in the international field existed long before the Confederation of 1867 and that is what the Supreme Court says. It has been part of the law of the land even under the French regime.

The CHAIRMAN: Shall article 9 carry?

Carried.

Shall article 10 carry?

ARTICLE 10

While the Organisation will not as a general rule claim exemption from excise duties and from taxes on the sale of movable and immovable property which form part of the price to be paid, nevertheless, when the Organisation is making important purchases for official use of property on which such duties and taxes have been charged or are chargeable, Member States will whenever possible make the appropriate administrative arrangements for the remission or return of the amount of duty or tax.

The WITNESS: Gentlemen, article 10 is to a certain extent included for the purpose of clarifying article 9. But there is one point in connection with article 9 which I intended to mention before coming to article 10, and I realize it was an oversight. Might I go back temporarily to article 9, paragraph (b), the reference to customs duties and quantitative restrictions and

so forth. This refers to articles imported under such exemption. They are not to be disposed of either by way of sale or by gift.

The point I want to make is this: article 10 deals more specifically with the question of sale and it contains a provision by which important purchases are distinguished from trivial purchases. That is putting it in very brief language. You will notice that article 10 says that when the organisation is making an important purchase for official use of property on which such duties and taxes have been charged, or are chargeable, the member state will whenever possible make the appropriate administrative arrangements for the remission or return of the amount of duty or tax.

Mr. FRASER: Why did they put in there "make an important purchase"? Where is the distinction on that?

The WITNESS: For example, if there was a sales tax on a package of cigarettes, I do not think any organisation or foreign representative is going to ask for the remission of that sales tax, levied on the purchase of a package of cigarettes. But on the other hand, if he is making an important purchase, let us say, of an automobile, that might well be a case which would come under this section and they might well say: "we would like to have the tax remitted".

Mr. FRASER: But those cigarettes or that automobile would not be for the benefit of the organisation, would they? They would be for the benefit of the representative himself, the individual representative of NATO?

The WITNESS: Well, evidently the example I just gave was unfortunate.

Mr. LESAGE: The automobile would be all right. The NATO organisation may own automobiles for official use.

Mr. FRASER: Yes.

Mr. LESAGE: And they may even buy cigarettes for an official reception.

Mr. DICKEY: Perhaps a better example would be that of a small amount of stationery for the use of the organisation.

Mr. LESAGE: Yes.

Mr. FRASER: Would they be buying a small amount for an individual's use?

Mr. DICKEY: No.

Mr. FRASER: They would be, in the case of the cigarettes.

Mr. LESAGE: Take the case of the small amount of stationery, as Mr. Dickey suggests, or the case of an automobile.

Mr. CÔTÉ: Or a case of liquor!

Mr. FRASER: What about a resale? How would they get over that? An organisation like that is exempt from taxes. But suppose they sell that automobile again? They could go into business on a thing of that kind?

The WITNESS: There is a standing restriction which makes it illegal to resell such an automobile within a period of two years, otherwise they would have to pay the tax.

Mr. FRASER: And would that restriction cover NATO?

Mr. LESAGE: Article 10 says that appropriate administrative arrangements are to be made. That requirement about the automobile not being resold within two years is a part of appropriate administrative arrangements that we have here in Canada.

The CHAIRMAN: Shall article 10 carry?

Mr. LESAGE: It is a regulation of the Department of National Revenue.

Mr. FRASER: And you say that it would apply to NATO also?

The CHAIRMAN: Carried.

Shall article 11 carry?

Article 11

1. No censorship shall be applied to the official correspondence and other official communications of the Organisation.

2. The Organisation shall have the right to use codes and to despatch and receive correspondence by courier or in sealed bags, which shall have the same immunities and privileges as diplomatic couriers and bags.

3. Nothing in this Article shall be construed to preclude the adoption of appropriate security precautions to be determined by agreement between a Member State and the Council acting on behalf of the Organisation.

The WITNESS: Article 11, subsection 1 deals with censorship; subsection 2 deals with the use of codes and the right to have a courier. Subsection 3 is another limitation and it enables the enforcement of appropriate security precautions with any member under the general scheme of this article.

The CHAIRMAN: Shall article 11 carry?

Carried.

Mr. GRAYDON: Before we pass article 11, I wonder if Mr. Wershof, who is representing the Department of National Defence—

Mr. WERSHOF: Not the Department of National Defence. I am from the Defence Liaison Division of the Department of External Affairs. Whereas the legal division was dealing with the negotiations of the NATO agreement, our division deals with the activities of NATO. I am here just in case there is any question as to what the different branches of NATO actually do—whether they are in a ten story building or a one story cottage. I will do my best to answer, though.

Mr. GRAYDON: I take it you are not the person to address a question on the recent security precautions taken by NATO while here in Ottawa?

Mr. WERSHOF: No, sir. That was a decision apparently made by the government. I do not know that any of us here dealt with it.

Mr. LESAGE: No, I do not think that any of the officials here would be in a position to answer your question. The Speaker of the House could answer it.

The CHAIRMAN: Article 12.

Every person designated by a Member State as its principal permanent representative to the Organisation in the territory of another Member State, and such members of his official staff resident in that territory as may be agreed between the State which has designated them and the Organisation and between the Organisation and the State in which they will be resident, shall enjoy the immunities and privileges accorded to diplomatic representatives and their official staff of comparable rank.

The WITNESS: Article 12 begins a new part of this bill and you will notice it is headed "representatives of member states".

This part deals generally with the privileges of those persons who go to represent governments at NATO meetings. The next following part deals with the staff who are employed by the organisation as such. I might point out, before we get into a discussion of this part, that Article 16 exempts the position of nationals and that there is a cross reference in Article 16 to Articles 12 to 14 inclusive. Consequently, you have to appreciate in reading

12, 13, and 14, that Canadian nationals would not be involved in any exemptions given under these sections in so far as Canadian laws are concerned.

The next general observation I would like to make concerns the general theme of these articles 12, 13 and 14. Article 12 is concerned essentially with permanent representatives. Article 13 is concerned essentially with what might be called temporary representatives, and Article 14 is concerned with what might be described as subordinate staff.

I think it would be useful if I were to indicate in a general way the nature of the problems which arose when these articles were drafted.

It was considered there were three categories of persons who would make up the normal delegations to meetings of the NATO body: permanent members, who are covered by Article 12 as I have mentioned, and the other two classifications. In so far as permanent members were concerned it was generally agreed that they should have full diplomatic privileges down to a category approximately equivalent to a third secretary. I mentioned on the last day that the personnel chosen by members countries to represent them were, for the most part, drawn from the diplomatic missions and I referred to a list of permanent officials as they exist at the present time in a document which I undertook to put on the record. Actually, it has not been deposited yet but I explained at that time I was going to refer to it in greater detail. This is the occasion on which I wish to refer to it.

It is an unclassified list of the persons who have been listed as coming within Article 12. It does not specifically say that, but that is what it amounts to. It lists on an average. I would say, five or six representatives from each country. In each case there is a senior member and then there is, generally, a deputy head of the delegation—and there are some advisers. Some of those advisers are drawn from the diplomatic staff, and there are military advisers who, because of their close work in conjunction with questions of policy, are included in this agreement. Just glancing through it—first of all I might refer to the Canadian representatives on this list. Perhaps I might read them.

The CHAIRMAN: Is it a long list?

Mr. LESAGE: No, four names.

The WITNESS: Our deputy is Mr. Wilgress, the Canadian High Commissioner in London. Our advisers are Mr. Rae, first secretary at Canada House; Mr. Ritchie, first secretary at Canada House; and Mr. Cote, first secretary at Canada House. The service advisers are Major General J. D. B. Smith, chairman of the Canadian Joint Staff in London, and Air Commodore Costello, the air member to the Canadian Joint Staff in London. There is also one adviser who is listed as an adviser on defence production and he holds the rank of commercial secretary at Canada House.

Mr. MACNAUGHTON: What is his name, please?

The WITNESS: I am sorry, his name is R. G. C. Smith.

By Mr. Côté:

Q. I must have misunderstood you, but did you not say that, according to Article 12, representatives of a mission to another country would rate at about third secretary?—A. Yes, sir, but in so far as Canada is concerned—

Q. Do you mean to say that Mr. Wilgress, from High Commissioner to Great Britain, comes down to a third rate secretary in the North Atlantic Treaty Organisation?—A. I was speaking of what I might call a general policy when this article was under discussion. It was agreed that if any member country chose to employ its diplomatic staff it could, if it chose to, go down to a level as low as third secretary and that person would be covered. We did not choose to go down to such a low level and our people do not go below the rank of first

secretary or commercial secretary—I am not quite clear where a commercial secretary appears on the list.

As I mentioned at the last session a large number of persons covered by Article 12 would otherwise enjoy privileges and immunities. The question arises as to why this article needs to be included and I think I can explain that briefly by pointing out that the North Atlantic Treaty Organisation may meet in different countries. In other words, members of our staff at Canada House are accredited to the Crown in the right of the United Kingdom, but they are not accredited to the President of France. Consequently, if they were to attend a meeting in France—

Mr. LESAGE: And there was one in Rome?

The WITNESS: Or in Rome, they would not have status in those other countries even though they might enjoy it in the United Kingdom. The reason these people were chosen was that it was contemplated that the meetings they would have to attend would be, for the most part, in London. It was a matter of saving travel.

Mr. LESAGE: The council deputies sit in London.

The CHAIRMAN: Shall Article 12 carry?

Carried.

Article 13?

1. Any representative of a Member State to the Council or any of its subsidiary bodies who is not covered by Article 12 shall, while present in the territory of another Member State for the discharge of his duties, enjoy the following privileges and immunities:

- (a) the same immunity from personal arrest or detention as that accorded to diplomatic personnel of comparable rank;
- (b) in respect of words spoken or written and of acts done by him in his official capacity, immunity from legal process;
- (c) inviolability for all papers and documents;
- (d) the right to use codes and to receive and send papers or correspondence by courier or in sealed bags;
- (e) the same exemption in respect of himself and his spouse from immigration restrictions, aliens registration and national service obligations as that accorded to diplomatic personnel of comparable rank;
- (f) the same facilities in respect of currency or exchange restrictions as are accorded to diplomatic personnel of comparable rank;
- (g) the same immunities and facilities in respect of his personal baggage as are accorded to diplomatic personnel of comparable rank;
- (h) the right to import free of duty his furniture and effects at the time of first arrival to take up his post in the country in question, and, on the termination of his functions in that country to re-export such furniture and effects free of duty, subject in either case to such conditions as the Government of the country in which the right is being exercised may deem necessary;
- (i) the right to import temporarily free of duty his private motor vehicle for his own personal use and subsequently to re-export such vehicle free of duty, subject in either case to such conditions as the Government of the country concerned may deem necessary.

2. Where the legal incidence of any form of taxation depends upon residence, a period during which a representative to whom this Article applies is present in the territory of another Member State for the discharge of his duties shall not be considered as a period of residence. In particular, he shall be exempt from taxation on his official salary and emoluments during such periods of duty.

3. In this Article "representative" shall be deemed to include all representatives, advisers and technical experts of delegations. Each Member State shall communicate to the other Member States concerned, if they so request, the names of its representatives to whom this Article applies and the probable duration of their stay in the territories of such other Member States.

The WITNESS: Article 13 applies to representatives of member states who are not covered by Article 12. I mentioned a few minutes ago that they may be described as temporary representatives. There is a list of privileges set forth and, at first glance, it looks like a rather formidable list. Actually, the particular subsections are of relatively slight application. The peculiarity of a temporary representative, as distinct from a permanent representative, is that he does not acquire permanent residence. He comes in generally for a brief period which may be a matter of a week or ten days and the practical applications of these sections is likely to be restricted to the work of immigration and customs officials. I do not want to have the statement misinterpreted, I just want to give what I think is the proper emphasis to be put on this section.

Now, I am prepared to deal in detail with these provisions if there are any questions which arise. I may say that they are very similar to the provisions included in the three sections of the Convention on Privileges and Immunities of the United Nations,—sections 11, 13, and 16 of that convention.

Mr. GRAYDON: Would you mind pointing out the distinction between the privileges and immunities under Article 13 and the privileges and immunities which were granted under the United Nations Organisation?

The WITNESS: Yes, Mr. Graydon. The differences are in subparagraphs (h) and (i). Perhaps I might read a short statement that I have here:

The differences between the corresponding paragraphs and sections are principally in matters of detail except that paragraph 1 (h) and 1 (i) make provision for duty free entry on first arrival of furniture, effects, and private motor vehicles, subject to the conditions stated.

Those conditions in effect mean that the government will be in a position to prevent abuses, in particular by stipulating that there shall be no sale of articles mentioned without payment of the appropriate taxes, and that the articles brought into the country are not in excess of what can reasonably be considered necessary.

In other words, the difference in this subsection (h) and subsection (i) is that the North Atlantic Treaty Agreement does not go as far. There are conditions added in there which do not appear in the other convention.

The CHAIRMAN: Shall Article 13 carry?

Mr. GRAYDON: Just before we go on to Article 14 we have not dealt with subsection 2 of Article 13, the question of legal incidence of any form of taxation depending upon residence, and so on.

The WITNESS: Yes. I think the purpose of that section is reasonably clear. I might recall that it is the basis of our own Income Tax Act—that there will be taxation on the basis of residence. I might also recall that diplomats are deemed to be non-residents for the purposes of taxation.

I refer you, Mr. Graydon, to Section 57, subsection 1, subparagraph (b) of the Income Tax Act. Perhaps I could read the entire operative words so that you can get the meaning:

No tax is payable under this part on the taxable income of a person when that person was . . .

(b) an officer or servant of a government of a country other than Canada whose duties require him to be resident in Canada.

And then, there are three subparagraphs which annex conditions of reciprocity. Do you want the details?

Mr. GRAYDON: No, I think that is sufficient.

The WITNESS: The point is that it is established practice to regard a diplomat as a non-resident and this section makes a similar provision. It would enable the Income Tax Department to deal on the same administrative basis NATO representatives as it does with diplomats—and consequently it would facilitate administration.

The CHAIRMAN: Shall the article carry?

By Mr. Graydon:

Q. Income tax applies only to nationals. Supposing an individual is here in a capacity, not as representing a state, but representing the North Atlantic Treaty Organisation as it stands. Is there any need for distinction for such individuals in so far as income tax is concerned?—A. I suppose that would depend upon whether he did or did not acquire residence. Actually, Article 13 applies to these temporary representatives essentially. It does not say so, but that is what it amounts to. Consequently, any persons coming within the purview of Article 13 are not likely to acquire residence.

Q. But they could?—A. I am using residence in the sense of our domestic laws.

Q. They could?—A. Yes, I agree, but they are not likely to.

The CHAIRMAN: Shall Article 13 carry?

Carried.

Article 14?

Official clerical staff accompanying a representative of a Member State who are not covered by Articles 12 or 13* shall, while present in the territory of another Member State for the discharge of their duties, be accorded the privileges and immunities set out in paragraph 1 (b), (c), (e), (f), (h) and (i) and paragraph 2 of Article 13.

The WITNESS: Article 14 deals with the subordinate staff and you will observe that there is a cross reference to Article 13. Some, only, of the privileges listed in Article 13 are extended to the subordinate staff. The privileges which are not extended are in sub-paragraphs (a), (d) and (g), as they appear in Article 13.

Mr. GRAYDON: Mr. Erichsen Brown, you are going to place on the record a list of those who are going to be covered by these three different sections?

The CHAIRMAN: Their work, not their names but the work they do?

The WITNESS: I was not intending to do that, Mr. Graydon, and actually I have not got the precise knowledge as to who would be covered. The only thing I can say is that I do not think there are any persons within Article 14 now in Canada. I make that statement in part having regard to the fact that Canadian nationals are excepted by reason of the operation of Article 16, and therefore, Article 14 only applies, in so far as exemption from Canadian law is concerned, to the subordinate staff of foreign countries. There is no subordinate staff of foreign countries in Canada. The agreement is enabling in a sense, and as I pointed out, its potential application is rather greater than its practical application.

Mr. GRAYDON: What I am concerned about is this. We have three different classifications coming under three different provisions in this agreement, and I think we ought to be clear, as a committee, as to whether there is a line of demarcation between each one of those different classes.

*In the French text, "12 or 13" reads "12 et 13". The English and the French texts are equally authoritative.

"Official clerical staff", for instance—it would seem to me that might spill over into the provisions of number 1 under Article 13 by some devious means that might readily be employed. I think we ought to have a fairly careful record of just what these three classes actually consist and, perhaps at a future meeting you could indicate to us in some way just what these classes actually mean. I am afraid, that as it stands now, it might easily be that some question might arise in connection with immunities and privileges for someone who is here in Canada who would claim they are under section number 1 of Article 13 rather than under Article 14. I think we ought to know the exact situation in case that arises?

The CHAIRMAN: Do you feel that some people will try to qualify from one group to another?

Mr. GRAYDON: That is it.

Mr. LESAGE: We cannot find an example, Mr. Graydon, because there is nobody in Canada who enjoys any of these privileges—because there is not any part of NATO here.

Mr. GRAYDON: Not yet.

Mr. LESAGE: No representatives, no staff, and we do not expect any.

Mr. GRAYDON: We are not legislating for what is happening at the moment, we are legislating for what will happen in the future. We have the right to plug any holes there are.

Mr. LESAGE: It is most unlikely.

Mr. GRAYDON: I do not think we should pass legislation on the basis of something not being likely. I think we should take it that it is likely and legislate for the eventuality.

Mr. LESAGE: As Mr. Erichsen Brown has said, this is enabling legislation and this agreement, before coming into force, has to be ratified by all twelve members.

Mr. MACNAUGHTON: I think, if I understand Mr. Graydon, he would like an explanation of "official clerical staff" and if we were told what constitutes "official clerical staff" that would be the answer?

Mr. LESAGE: Well, I might answer. When we went to New York last year the official clerical staff consisted of girls who were typing and taking dictation. We had eight or ten. That was our clerical staff.

The CHAIRMAN: And filing clerks?

Mr. LESAGE: Yes.

Mr. MACNAUGHTON: And messengers.

Mr. DICKEY: It seems to me that this wording is fairly clear. I do not think I can quite agree with Mr. Graydon. Article 14, paragraph 1 starts:—

Any representatives of a member state to the council...

Surely, in the North Atlantic Treaty Organisation there would be a clear distinction of representatives of member states to the council, just as there is in the United Nations a clear distinction between delegates and alternate delegates.

Article 14 goes on in its first wording and says:—

...official clerical staff accompanying a representative of a member state who are covered by Articles 12 or 13...

Now, the same words "representative member states" are employed and surely it will not be difficult to determine who are representatives of member states in accordance with the procedure of the organisation. And then everybody else who is accompanying them will, I presume, under this wording, be part of the official clerical staff and will come under section 14. I must say that I cannot see any possibility of real difficulty arising out of that wording.

Mr. GRAYDON: I think I can see some real difficulty and on this basis: if you have a high ranking secretary attached to a representative of a member state, and if he is involved in a very serious motor accident in the country in which he is, the question of damages might arise and it would be a very simple matter for the state involved, if they so desire, to terminate his position as secretary and designate him as a member of the council. There is no definition as to how many members there can be of member states on the council.

Mr. DICKEY: I do not see how we can legislate to improve the situation which Mr. Graydon envisages. I thought there was a distinction between people of the clerical staff and people who are members of a certain state. I do not think it would be the cause of any difficulty at all. The situation which Mr. Graydon has envisaged seems to me to be a very extraordinary one that we could not possibly hope to cover in this legislation except in a general way by limiting the rights of state to name a particular person as their representative. It is a field into which I do not think we should get.

Mr. GRAYDON: I think we could get over it by clarifying what we mean by "official clerical staff".

Mr. LESAGE: The official clerical staff would be the clerical staff accompanying the representatives. What can we add? I do not know.

Mr. CÔTÉ: And a chauffeur?

Mr. LESAGE: No, a chauffeur would not be a member of the clerical staff. I do not see any trouble or difficulty there. I do not see how we can put it any clearer than "official clerical staff".

Mr. GRAYDON: Actually we cannot change this agreement. It has been signed. All we can do is to reject it or adopt it. But I would like to have that clarification. I wonder if Mr. Erichsen-Brown could give us some idea of the personnel which would be attending the delegation?

The CHAIRMAN: I believe we have the right to make recommendations so long as this bill has been referred to this committee. I believe we have the right to recommend certain changes if we want to. After all, we have the task of scrutinizing this bill which is before us according to our order of reference and I think we also have the power to make recommendations.

Mr. LESAGE: I have something here which I might read:

In general, this article will apply to secretarial staff (typists, registry clerks, etc.) accompanying temporary representatives. It will also apply to secretarial staff of permanent representatives not covered by article 12. Domestic staff of representatives would not be entitled under this article to any privileges properly so-called, but would probably enjoy the courtesies which are accorded to the comparable members of the staff of a diplomatic representative.

Mr. GRAYDON: That seems clearer, if that goes into the record I would be satisfied.

Mr. FRASER: Would this not cover a staff which is enroute to another country, except just where the council was meeting? Would it not cover them while they were enroute?

The WITNESS: If the other country were a NATO country.

The CHAIRMAN:

Carried.

Does article 15 carry?

ARTICLE 15

Privileges and immunities are accorded to the representatives of Member States and their staffs not for the personal benefit of the individuals themselves, but in order to safeguard the independent exercise of their functions in connection with the North Atlantic Treaty. Consequently, a Member State not only has the right, but is under a duty to waive the immunity of its representatives and members of their staffs in any case where, in its opinion, the immunity would impede the course of justice and can be waived without prejudice to the purposes for which the immunity is accorded.

The WITNESS: This is one of the two sections to which I referred in my opening remarks. It is the section which emphasizes that privileges and immunities are not given for the personal advantage of the individual but rather for the advantage of the government that he represents. There is a corresponding section in the next part of the agreement in regard to officials.

Mr. DICKEY: It seems to me that the situation that was envisaged by Mr. Graydon relating to article 14 and to the difficulty of its interpretation would definitely come within the principle of article 15.

Mr. CÔTÉ: I think that article 15 must cover the 3 other articles, 12, 13 and 14, and that it applies generally to this.

The WITNESS: Yes, it applies generally to them.

The CHAIRMAN: Shall article 15 carry?

Carried.

The CHAIRMAN: Shall article 16 carry?

ARTICLE 16

The provisions of Articles 12 to 14* above shall not require any State to grant any of the privileges or immunities referred to therein to any person who is its national or to any person as its representative or as a member of the staff of such representative.

The WITNESS: Article 16 is a very simple section. It simply exempts nationals from the previous section which we have already considered.

Carried.

The CHAIRMAN: I think we should adjourn now because we have not got a quorum unless I close my eyes. Before we adjourn I want to tell you how much I appreciate the fact that we had a quorum today so early because there are three other committees sitting this morning. Would it be possible to hold another meeting of our committee soon? I believe we ought to get through with this bill early next week. What about tomorrow at 3.30? Because I think Thursday will be quite a problem.

Mr. DICKEY: There is to be a meeting of the Combines Legislation Committee on Wednesday afternoon at 3.30, Mr. Chairman.

Mr. CÔTÉ: What about tomorrow morning?

The CHAIRMAN: Caucus.

Mr. DICKEY: We used to hold evening meetings in past sessions.

The CHAIRMAN: Evening meetings?

Mr. DICKEY: Yes, we used to meet in the evenings and we did so with some success.

*In the French text, "12 to 14" reads "12 et 14". The English and the French texts are equally authoritative.

The CHAIRMAN: If we cannot have a meeting tomorrow, let us try to have it on Thursday either in the morning or in the evening. Would that be satisfactory to the members of the committee?

The committee adjourned.

APPENDIX "A"

REVENUE EXEMPTIONS AND MISCELLANEOUS PRIVILEGES GRANTED IN CANADA TO REPRESENTATIVES OF FOREIGN AND COMMONWEALTH GOVERNMENTS DEPARTMENT OF EXTERNAL AFFAIRS Ottawa, Canada, January 1, 1951

PART I

GOVERNMENT OF CANADA

EXEMPTIONS FROM TAXATION

(A) *Remission of Customs Duty and Taxes on Imported Articles*

(By authority of the regulations, under Item 706 of the Customs Tariff, established by Order in Council P.C. 4450 of October 17, 1950)

1. *Exemption from Examination of Baggage*

The privilege is granted of exemption from examination of baggage and other effects, and of admission thereof free of duty and taxes, to:

- (i) Heads of diplomatic missions, and their families and servants;
- (ii) High commissioners, and their families and servants;
- (iii) Officers of diplomatic missions who are eligible for inclusion in the Diplomatic List, and their families;
- (iv) Officers of high commissioners' offices who are eligible for inclusion in the Diplomatic List, and their families;
- (v) Consuls-general of career and their families.

Procedure

Baggage checked by the common carrier will be released without examination by the appropriate Canadian Customs official on establishment of ownership.

2. *Admission of Articles for Personal and Family Use Free of Duty and Taxes*

The privilege is granted at all times of entry free of customs duty and taxes of articles for the personal and family use of:

- (i) Heads of diplomatic missions;
- (ii) High commissioners;
- (iii) Officers of diplomatic missions who are eligible for inclusion in the Diplomatic List;
- (iv) Officers of high commissioners' offices who are eligible for inclusion in the Diplomatic List;
- (v) Consuls-general of career;
- (vi) Consuls of career;
- (vii) Vice-consuls of career;
- (viii) Trade commisisoners of career;
- (ix) Assistant trade commissioners of career.

Procedure

Except as respects importation of motor vehicles, application for free entry under these regulations should be made in writing to the local Collector of Customs and Excise in duplicate, a separate application being made for each importation, accompanied by the common carrier's note of advice.

Application for free entry of motor vehicles desired to be imported subsequent to first arrival in Canada should be made in the form prescribed by the Customs regulations, (copies of which form are obtainable from local collectors of customs and excise); and be forwarded by the applicant direct to the Deputy Minister of National Revenue, Customs and Excise, Ottawa.

- (a) In the case of heads of diplomatic missions and high commissioners, the application in duplicate should bear the mission seal and the signature of the authorized signing officer of the mission.
- (b) In the case of consuls general of career and trade commissioners of career, the application in duplicate should be signed by the consul general or trade commissioner;
- (c) In the case of officers of diplomatic missions and officers of high commissioners' offices who are eligible for inclusion in the Diplomatic List, consuls of career and vice-consuls of career and assistant trade commissioners of career, the application for free entry should be approved in writing by, or in the name of, the head of the diplomatic mission, the high commissioner, the supervising consul general, or the trade commissioner.

3. *Free Entry Privileges (on first arrival only) for Employees of Foreign and Commonwealth governments.*

The privilege is granted, on their first arrival only, of entry free of customs duty and taxes of their personal and household effects, including motor vehicles but not including spirituous liquors, to employees of foreign and commonwealth governments and their families, who are sent by their governments to posts in Canada and who are nationals or citizens of the country employing them and are not engaged in any other business or profession.

Procedure

The imported goods will be cleared by the appropriate Collector of Customs and Excise on production of the common carrier's note of advice and upon written application to the Collector in duplicate, supported by a certificate from the head of mission high commissioner or supervising consul general as to the *bona fides* of the applicant, and stating that the goods covered by the application are being imported on first arrival in Canada.

4. *All the privileges mentioned above are extended on the basis of reciprocity.*
5. Articles other than motor vehicles which have been admitted free under these regulations and which have been in the use and possession of the importer in Canada for a period of at least one year may be sold or disposed of in Canada without payment of duty and taxes. Otherwise they shall be subject to the ordinary provisions of the Customs Tariff and the Excise Tax Act.
6. Motor vehicles which under these regulations are allowed admission free of duty and taxes shall be subject to the ordinary provisions of the Customs Tariff and the Excise Tax Act if sold or otherwise disposed of in Canada without having been in the use and possession of the importer in Canada for a period of at least two years.

7. The provisions set forth in paragraphs five and six also are on the basis of reciprocity.

(B) *Remission of Excise Duty*

(Under authority of Excise Regulations established by Orders-in-Council P.C. 4397 of August 31, 1949, and P.C. 1087 of March 25, 1947).

1. The privilege of exemption from excise duty, and excise taxes where applicable, on domestic spirits and tobacco products purchased from licensed manufacturers in Canada, is granted to heads of diplomatic missions, high commissioners and consuls general of career. This privilege is also granted, but only on the basis of reciprocity, to other officers of diplomatic missions and of high commissioners' offices who are eligible for inclusion in the Diplomatic List, and to commonwealth trade commissioners of career.

Procedure

- (a) Purchase orders should be sent direct to licensed manufacturers and should be accompanied by an application in triplicate in the following form:

APPLICATION

(Name and address of supplier)

Place

Date

Dear Sirs:

I,..... having been officially
(Full name)

notified to the Department of External Affairs, Ottawa, as.....
(official designation)

hereby request shipment of the following goods free from excise duties and excise taxes where applicable:

Quantity

Description

The above-described goods are for one or more of the following uses as designated by an "X" placed opposite the applicable clause:

- (i) For personal or official use by the undersigned;
- (ii) For personal use only by members of my family and servants resident with me;
- (iii) For personal use only by members of my staff locally domiciled as designated hereunder;

and not otherwise.

Names of Members of Staff	Title or Designation	Place of Residence
.....
.....

Signature

(Seal)

Official Designation

- (b) (i) Applications by heads of diplomatic missions or high commissioners must be signed personally by such heads of diplomatic missions or high commissioners.
- (ii) Applications by officers of diplomatic missions must be signed personally by the head of mission.
- (iii) Applications by officers of high commissioners' offices must be signed personally by the high commissioner.

- (iv) Applications by counsels general of career and by commonwealth trade commissioners must be signed by such consuls general and trade commissioners.
- (c) The goods will be forwarded in bond by the manufacturer and under bill of lading consigned to the order of the appropriate Collector of Customs and Excise from whom delivery may be obtained on completion by the applicant of an Excise Entry on Form B52, obtainable from the Collector.
- (C) *Remission of Sales and or Excise Taxes on Certain Goods Purchased in Canada.*
(Under authority of The Excise Tax Act, Chapter 179, R.S.C. 1927, with amendments, and under the provisions of P.C. 80/9555 of December 28, 1944)

1. *Persons Exempt from these Taxes*

The representatives of other countries entitled to this privilege are the following:

- (a) Heads of mission accredited to His Majesty in respect of Canada and high commissioners representing in Canada other of His Majesty's governments; upon written application personally signed by the head of mission or the high commissioner, respectively, or in his absence by the official authorized to sign in his stead;
- (b) Counsellors, secretaries and attachés of missions and high commissioners' offices in Canada whose governments accord similar privileges to Canadian officials holding corresponding posts in the countries represented by such missions and high commissioners' offices; upon written application personally signed by the head of mission or the high commissioner, respectively, or, in his absence, by the official authorized to sign in his stead;
- (c) Trade commissioners representing in Canada other of his Majesty's governments, when the governments they represent extend similar privileges to Canadian trade commissioners, and not otherwise, and consuls general of career of foreign nations, when the governments they represent extend similar privileges to Canadian consuls general, and not otherwise, upon written application personally signed by the trade commissioner or consul general, respectively.

2. *Exemptions*

The exemptions are as follows:

Under Parts XI, XII, and XIII of the Excise Tax Act

Exemptions from the sales and excise taxes on automobiles, cigars, cigarettes, tobacco, wines, ale, beer, stout and spirits.

Procedure

In the case of domestic spirits and tobacco products the same procedure as required by (B) 1 is to be followed. On purchase of the other items mentioned the head of mission, high commissioner, trade commissioner, or consul general, as the case may be, should, when making the payment, include a statement over his signature to the effect that the goods are for the personal use of himself or of an officer entitled to receive exemption from the taxes under the provisions of Order-in-Council P.C. 80/9555 of December 28, 1944.

(D) *Remission of the Excise Tax on Official Cheques*

(a) *Under Part VI of the Excise Tax Act*

Exemption from the excise tax on official cheques drawn on accounts in Canadian banks maintained with the funds of foreign or commonwealth governments.

Procedure

The exemption from the excise stamp tax on cheques is granted only for cheques drawn on official accounts. Cheques issued against personal accounts are subject to the excise stamp tax.

(E) *Exemption From Income Tax*

1. Subsection (1) (b) of section 57 of The Income Tax Act provides that no tax is payable upon the taxable income of a person for a period when that person was an officer or servant of the government of a country other than Canada whose duties required him to reside in Canada

(a) If that country grants a similar privilege to an officer or servant of Canada of the same class;

(b) If he was not, at any time in the period, engaged in a business or performing the duties of an office or employment in Canada other than his position with that Government; and

(c) If he was during that period a subject or citizen of that country.

(F) *Exemption from Radio License Fee*

1. Order in Council P.C. 5020 of June 21, 1943, provides that exemption shall be granted from the payment of the private receiving station license fee to all persons whose names appear in the Diplomatic List and to consuls general of career as listed in the Annual Report of the Department of External Affairs.

Procedure

Owners of radio receiving sets are requested to provide themselves with a radio license, which is issued gratis upon application to:

The Controller of Telecommunications, Department of Transport, Ottawa.

(G) *Diplomatic Correspondence*

Diplomatic and official correspondence may be sent through two main channels:

(I) By courier;

(II) By post.

(I) *By Courier*

1. Ministries, missions, United Nations and specialized agencies may make whatever arrangements they desire for the transmission of their official mail by courier.

2. The bags or receptacles in this case travel outside the jurisdiction of the domestic and international postal services and the complete arrangements from the time of despatch to the time of delivery are the responsibility of the despatching office.

Procedure

Application for privilege to be made in writing to the Department of External Affairs.

(II) *By Post*

1. Official correspondence, including diplomatic pouches, may be sent by post. Such items are to be prepaid at the postage rates applicable. (See exceptions below).

2. Diplomatic pouches should not exceed 20 kilograms in weight or be too large to be enclosed in a mail bag.

3. Sealed bags containing correspondence are accepted prepaid on the bulk weight of the contents.

Procedure

Application for permission to send such diplomatic bags by post should be made in writing to the Post Office Department through the Department of External Affairs. Once authority has been granted, the Post Office Department will advise the applicant as to the necessary details.

4. *Exceptions*

- (a) The following reciprocal free mailing concessions for surface mails have been granted to members of the Diplomatic Corps representing countries of the Postal Union of the Americas and Spain, as listed below, and to the consular representatives of such countries:

Argentina	Ecuador	Paraguay
Bolivia	Guatemala	Peru
Brazil	Haiti	Salvador (El)
Chile	Honduras	Spain
Colombia	Mexico	United States
Costa Rica	Nicaragua	Uruguay
Cuba	Panama	Venezuela
Dominican Republic		

- (b) Free despatch is granted (on other than air mail) to:

- (i) Correspondence of members of the Diplomatic Corps:

1. Within Canada;
2. To addresses in the countries designated above.

Diplomatic bags should not exceed 20 kilograms in weight.

The combined length, width and depth are not to exceed 140 centimeters and the greatest dimension is not to exceed 60 centimeters.

Diplomatic correspondence shall bear in the upper left-hand corner of the address side of the envelope or tag, the name of the sending embassy or legation and be prominently endorsed in the upper right-hand corner "Diplomatic Correspondence" over the words "Libre de Poste" or "Free of Postage".

- (ii) Official correspondence mailed by consuls-general, consuls or vice-consuls acting as consuls of the countries designated above, addressed to:

1. Their respective countries;
2. Respective embassies or legations in Canada;
3. To Canadian Government authorities in Ottawa.

Consular correspondence shall bear in the upper left-hand corner of the address side of the envelope or tag the name of the sending consulate-general or consulate and be prominently endorsed in the upper right-hand corner "Consular Correspondence" over the words "Libre de Poste" or "Free of Postage".

- (c) All correspondence and diplomatic pouches intended for conveyance by air mail must be prepaid at the air mail rates applicable.
- (d) Correspondence and diplomatic pouches are entitled to free registration but without the right to indemnity.

Procedure

Application to be made in writing to the Post Office Department in order that the necessary arrangements may be concluded.

(H) Foreign Exchange Transactions

1. As soon as convenient after arrival, diplomatic representatives are requested to communicate in writing to the Department of External Affairs the name and address of the bank at which they intend to carry on foreign exchange transactions, in order that authorization may be sent to that bank by the Foreign Exchange Control Board for the extension of facilities.

2. Full details of Canadian foreign exchange control regulations and of the exemptions extended to diplomatic and commonwealth representatives may be obtained by application in writing to:

The Secretary, Foreign Exchange Control Board, Ottawa.

GENERAL

1. Cards of Identity

These cards are issued by the Department of External Affairs to all non-Canadian officials and employees of foreign and commonwealth governments stationed in Canada and must be returned to the Department when such persons relinquish their appointments.

2. Publication of the Department of External Affairs

The Diplomatic List is issued gratis by the Department of External Affairs to persons whose names appear therein. The Annual Report of the Department of External Affairs is issued on December 31st, and is available on application to the Department.

3. Communications to the Secretary of State for External Affairs

Communications to the Secretary of State for External Affairs should not be addressed to him by name but should bear the following address:

The Secretary of State for External Affairs,
East Block,
Ottawa.

4. Curricula Vitae

It would be appreciated if a curriculum vitae for each diplomatic or consular officer for whom a card of identity is issued might be supplied to the Department of External Affairs at the time that the issuance of these cards is requested.

PART II

PROVINCE OF ONTARIO

(A) *Motor Vehicle Permits and Driving Licences*

1. The Government of Ontario issues, without payment of the usual fee, licence plates for automobiles owned by the personnel of foreign and Commonwealth missions who are eligible for inclusion in the diplomatic list, or by consuls, vice-consuls, trade commissioners and assistant trade commissioners of career.

2. Drivers' licences are also issued to the foreign and Commonwealth representatives listed in the previous paragraph, free of charge, and without examination upon production of a driver's licence issued to the applicant in his own country.

Procedure

Application for free licence plates and drivers' licences may be made to:
The Registrar of Motor Vehicles,
Department of Highways,
Parliament Buildings,
Toronto 2, Ontario.

Licence plates (but not drivers's licences) may also be obtained from the local Motor Vehicle Licence Bureau at 287 Laurier Avenue West.

(B) *Province of Ontario Gasoline Tax*

1. The Government of Ontario grants exemption from the provincial gasoline sales tax to the foreign and Commonwealth representatives listed in paragraph (A) 1. above. This exemption applies only to purchases of gasoline which are made *within the Province of Ontario* for vehicles owned by the representative concerned and which are charged to the purchaser's credit account with the oil company.

Procedure

Arrangements for credit purchases are made by the mission concerned with the Ottawa credit manager of an oil company; the mission sends notification of these arrangements with the name of the official concerned and of the oil company to:

The Chief Inspector of Gasoline Tax,
Department of Highways,
Parliament Buildings,
Toronto 2, Ontario.

and requests the credit manager of the oil company also to notify the Chief Inspector of Gasoline Tax.

The Chief Inspector of gasoline tax then authorizes the oil company to sell gasoline tax-free to the officers of the mission.

It is necessary that the mission should send each month to the Chief Inspector of Gasoline Tax a report of its tax-free purchases of gasoline on Form G.T.8. Supplies of these forms can be obtained on application to the Chief Inspector of Gasoline Tax.

APPENDIX "B"

FOREIGN EXCHANGE CONTROL BOARD

Ottawa

November 8, 1951.

DIPLOMATIC OFFICIALS

1. Section 3(e) of the Foreign Exchange Control Regulations provides that
 - (e) An officer, official or other employee of an international organisation or government of a country other than Canada whose duties require him to reside in Canada and who is accorded diplomatic privileges by the government of Canada is deemed to be a non-resident.

As a "non-resident" for the purposes of the Foreign Exchange Control Act and Regulations, such a person (referred to herein as a "diplomatic official") may

- (a) deal freely outside Canada with foreign exchange, securities or other property held outside of Canada; and
- (b) operate a foreign currency account with a bank in Canada and make deposits to and withdrawals therefrom without permit.

2. A diplomatic official should arrange with the Secretary of State for External Affairs to advise the Foreign Exchange Control Board of his status and of the name and branch of any bank in Canada with which he maintains an official Canadian dollar account or with which he or members of his family maintain personal Canadian dollar accounts in order that the Board may notify the banks concerned of their status. Such an account, whether conducted on behalf of a diplomatic official's government or as a personal account, is regarded as that of a non-resident of Canada. The account is designated as that of a resident of a United States dollar area, sterling area or special arrangement country depending on the country represented by the official.

3. The Canadian dollar bank account of a diplomatic official may, without permit, be credited with

- (a) Canadian dollars derived from the sale of foreign exchange to an authorized dealer (i.e. a branch in Canada of a chartered bank);
- (b) Canadian dollars transferred from the account of another non-resident of Canada, except that no transfers may be made from the account of a resident of a United States dollar area country to the account of a diplomatic official who is designated as a resident of a sterling area or special arrangement country or vice versa;
- (c) consular fees and other similar payments collected in Canada for account of the government represented by the diplomatic official.

Except as specified in (c) above, the account of a diplomatic official may not be credited with any payment from a resident of Canada unless the resident concerned has obtained a permit from the Board authorizing the payment.

4. Payments may be made, without permit, from the Canadian dollar bank account of a diplomatic official

- (a) to residents of Canada; and
- (b) to non-residents, except that an official who is designated as a resident of a sterling area or special arrangement country may not pay Canadian dollars to a resident of a United States dollar area country or vice versa.

HOUSE OF COMMONS

Fifth Session—Twenty-first Parliament, 1951
(Second Session)

Government
Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

CHAIRMAN—MR. J. A. BRADETTE

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

THURSDAY, DECEMBER 6, 1951

BILL 15.

An Act to provide for Privileges and Immunities in respect of
the North Atlantic Treaty Organisation.

WITNESSES:

Mr. J. P. Erichsen-Brown, Legal Division, Department of External Affairs.
Mr. M. H. Wershof, Defence Liaison Division, Department of External
Affairs.

REPORT TO THE HOUSE

TUESDAY, December 11, 1951.

The Standing Committee on External Affairs begs leave to present the following as a

SECOND REPORT

Your Committee has considered Bill No. 15, An Act to provide for Privileges and Immunities in respect of the North Atlantic Treaty Organisation, and has agreed to report the said Bill without amendment.

A copy of the Evidence adduced in respect of the said Bill is appended hereto.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

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MINUTES OF PROCEEDINGS

Thursday
~~TUESDAY~~, December 11, 1951.

The Standing Committee on External Affairs met at 8.30 o'clock p.m. this day. Mr. Bradette, Chairman, presided.

Members present: Messrs. Balcer, Bater, Breithaupt, Croll, Decore, Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Leger, Lesage, MacInnis, Mackenzie, Macnaughton, Murray (*Cariboo*), Quelch, Richard (*Ottawa East*), Stick.

In attendance: Mr. J. P. Erichsen-Brown and Mr. E. R. Rettie, of the Legal Division, Department of External Affairs, and Mr. M. H. Wershof, of the Defence Liaison Division, Department of External Affairs.

The Committee resumed consideration of Bill No. 15, An Act to provide for Privileges and Immunities in respect of the North Atlantic Treaty Organisation.

Mr. Erichsen-Brown completed his detailed statement on the Schedule to the Bill and was questioned thereon.

During the examination of the witness Mr. Wershof answered questions specifically referred to him.

Clauses one and two, the Schedule and the Title were severally considered and adopted.

The Bill was adopted and the Chairman ordered to report the same to the House without amendment.

At 9.45 o'clock p.m. the Committee adjourned to the call of the chair.

R. J. GRATRIX,
Clerk of the Committee.

EVIDENCE

December 6, 1951.

8:30 p.m.

The CHAIRMAN: Order, gentlemen, we now have a quorum.

Before we proceed may I inform the committee that Mr. Lesage invited Senator Turgeon to be present with us this evening if at all possible, assuring him that he would be welcome. I regret to inform the committee that I received a telephone call from Senator Turgeon a few moments ago saying that it would be impossible for him to be present.

Again, I would make the request that when you put your questions that you address them to the chair, not for my own sake but for the convenience of the official reporters who have to take them down.

Hon. MEMBERS: Hear, hear.

The CHAIRMAN: I would also ask the officials if they are to make any lengthy statements, that they would come up here beside Mr. Erichsen-Brown or myself, if they want to; again for the convenience of the record.

We are now at part III—representatives of member states.

Mr. LESAGE: Pardon me, Mr. Chairman, but we passed part III. We are now on part IV.

The CHAIRMAN: That is right, article 17.

I believe that we were all in agreement that we will try the best we possibly can to get through this evening because, otherwise, it will mean that we will have to hold another meeting.

We are now on part IV, page 6—international staff and experts on missions for the organization.

Mr. J. P. Erichsen-Brown, Legal Division, Department of External Affairs, called:

Shall section 17 carry?

Carried.

Article 18—officials of the organization agreed upon under article 17.

Shall the section carry?

Mr. FRASER: Just a moment, Mr. Chairman. It says, "and of acts done by them in their official capacity and within the limits of their authority;". Would that mean within the confines of the committee, of their meeting place? It would not be outside?

Mr. STICK: It says in their official capacity.

Mr. FRASER: I know. It does not have to be in the meeting place. Is that right?

Mr. GAUTHIER (*Portneuf*): Yes, not necessarily.

Mr. FRASER: That is what I am trying to find out; it is or it is not.

Mr. WERSHOF: Mr. Chairman, we would not think that it is necessarily limited to acts done or words spoken immediately in the building in which the official normally worked. It is quite conceivable that an official of the NATO organization in London might have official business to do in another place in

London, and he might have words to say in other places in London in line of duty, just as in our department we sometimes have to go to other buildings and to other cities, even, to perform official business; so I do not think the paragraph would necessarily be limited to the actual building in which the official normally worked.

Mr. DECORE: What about an official driving to a certain place, to his home, after business, after a meeting in which he has taken part and he is on his way home? If he gets into some kind of difficulty, would it apply to him then?

Mr. WERSHOF: I do not think this particular paragraph relates to that type of immunity. I think in a later section there is reference to full diplomatic immunity for the senior officials of the organization. In article 18(a) there is reference to immunity. This section of this article applies in respect of words spoken or written or actions done both in their official capacity and within the limits of their authority. I cannot think of this paragraph as being intended to relate to such things as immunity from accidents when driving.

Mr. MACNAUGHTON: If you examine the other paragraph and the proviso in article 18 you will see pretty well what the intention of the paragraph is.

The WITNESS: Actually, I think it is doubtful whether any privilege is accorded in our law by this paragraph (a). Our ordinary libel law gives a certain exemption to words spoken by individuals, even to a Canadian citizen if he is speaking in an official capacity. It would be a question of qualified privilege.

Mr. LESAGE: I want to draw the attention of the members of the committee to the fact that there are two qualifications. It is not only the official capacity, but it has to be made within the limits of the authority of the one who is speaking the words.

Mr. GRAYDON: I would like to have some clarification on what Mr. Brown has just said. Our libel and slander laws, according to him, do not cover the cases where someone speaks in an official capacity. I differ on that, because I do not think even the Prime Minister is above the libel and slander laws of this country. I do not think anyone is who is in an official position.

Mr. LESAGE: Unless he can prove it is true and in the public interest.

Mr. FRASER: Then it is not libel.

Mr. LESAGE: That is what I say, if it is true and in the public interest.

Mr. DECORE: That applies to every citizen.

Mr. LESAGE: Every citizen. That is what Mr. Brown has said.

Mr. GRAYDON: This puts somebody above the ordinary suit as far as libel and slander are concerned. What happens if we have a case of this kind and somebody comes in with some slanderous intent? Would you just let him talk on?

Mr. LESAGE: You know what is happening in the various meetings of the United Nations, there are sometimes quite vicious attacks.

Mr. DECORE: Did you say sometimes?

Mr. LESAGE: I am careful.

Mr. GRAYDON: Yes, but we do not extend that privilege to some official of the United Nations who happens to be in Canada or elsewhere.

Mr. LESAGE: No, because he would not be then within the limits of his authority and he would not be in his official capacity.

Mr. GRAYDON: He might be.

Mr. LESAGE: Then he would be exceeding the limits of his authority.

Mr. MACNAUGHTON: Mr. Chairman, if you care to look at Part III, which is entitled "Representatives of Member States", article 12 and article 13 set

out the immunities, and then Part IV is "International Staffs and Experts on Missions", starting with articles 17 and 18, sets up immunities and special privileges. It is the same form only applying to a lower rank of official.

Mr. LESAGE: I was answering Mr. Graydon in general because you find the same privileges and immunities in paragraph (a) of article 13.

Mr. GRAYDON: Two wrongs, if they happen to be wrongs, do not make a right.

The CHAIRMAN: Shall the article carry?
Carried.

Shall article 19 carry? officials of the organisation, and so on.

ARTICLE 19

Officials of the Organisation agreed under Article 17 shall be exempt from taxation on the salaries and emoluments paid to them by the Organisation in their capacity as such officials. Any Member State may, however, conclude an arrangement with the Council acting on behalf of the Organisation whereby such Member State will employ and assign to the Organisation all of its nationals (except, if such Member State so desires, and not ordinarily resident within its territory) who are to serve on the international staff of the Organisation and pay the salaries and emoluments of such persons from its own funds at a scale fixed by it. The salaries and emoluments so paid may be taxed by such Member State but shall be exempt from taxation by any other Member State. If such an arrangement is entered into by any Member State and is subsequently modified or terminated, Member States shall no longer be bound under the first sentence of this Article to exempt from taxation the salaries and emoluments paid to their nationals.

Mr. LESAGE: I believe, that on this, Mr. Brown could give a full explanation.

The WITNESS: The first sentence of Article 19 corresponds to section 18(b) of the Convention on the Privileges and Immunities of the United Nations. The remainder of the article is designed to take account of the taxing policies of some member states including Canada. It will be recalled that Canada ratified the Convention on the Privileges and Immunities of the United Nations subject to a reservation that "exemption from taxation imposed by any law in Canada on salaries and emoluments shall not extend to a Canadian citizen residing or ordinarily resident in Canada."

Since the officials of the organisation are drawn from several different countries, each with a different and frequently changing scale of taxation, it is obviously desirable in the interests of efficiency of the organisation to pay the international staff at uniform tax-free rates regardless of country of origin. On the other hand, to agree to such a scheme would in the case of some member states amount to surrendering the right to tax nationals resident or ordinarily resident in those states. At the same time the governments of certain other member states are obliged to tax their nationals in accordance with national laws except when a specific exemption is made in an international agreement; that is to say, when by international agreement, it rests within the discretion of those member states whether or not to tax, no exemptions of nationals could in fact be allowed, that it, under the laws of the state which had laws of that type. Finally, some member states might wish to assign their own employees to service as NATO officials without forcing them to accept the lower salary scales paid by that organisation.

To take account of these complex considerations, article 19 does three things:

- (a) it establishes the general principle of tax-free salaries for officials so that exemptions may be made by governments which are under an obligation to tax to the maximum extent possible under international agreements;
- (b) it allows a member state to make arrangements with the organization to assign its employees to NATO, pay them at higher salary scales and tax them on salaries so paid, so that the government of that member state may comply with national laws imposing a tax on all persons resident or ordinarily resident in that state.

I think I might stop at that point to comment on that particular point. It arises under the second sentence of the article and its practical application is this, that any state could make an arrangement with the organisation to assign its own staff to the organisation, to pay its own staff out of its own exchequer, so that although they would be working for the organisation, they would continue to be paid by the state of which they are nationals. That would enable the state to apply its own laws, which might require that its own nationals be taxed. On the other hand there would not result this situation—that the international agreement which all states had signed, provided that certain nationals should not be exempt with the result that under the laws of other countries their laws would operate to make it impossible for them to exempt their nationals. I hope I have made it clear. It is a rather intricate problem, and the difficulty of accepting the first sentence of this article alone without some such qualifying arrangement as is set forth in the balance of the article arose essentially from the national laws of certain states, which were so phrased that the agreement tended to become unworkable. In other words, the laws could not be made to work in co-operation, and this article was worked out as a result of very lengthy discussion. It took more discussion to settle on the text of this article than any other provision of the agreement.

By Mr. Stick:

Q. It is rather complicated, that. It seems to me that the organisation as such, NATO pays the officials tax free, but if Canada pays its own officials in that organisation then they are taxable.—A. Yes, that's right.

Q. That is the gist of it. —A. Yes, that's right.

Q. For instance, whoever is paying the people, if Canada is paying them then they are taxable under the laws of Canada, but if they are paid under the laws of the organisation they are not.—A. That is right.

By Mr. Richard:

Q. Could you tell us as a fact are Canadian paid by the government and are they taxed?—A. The answer to that is that the section is enabling and an agreement may be made pursuant to the provisions of this agreement; but this agreement, of course, is not yet in force and consequently an arrangement cannot be made. The only answer I can give you at the present time is it is under consideration and that we regarded this as a useful device for preserving the general principle which we have followed—that Canadians employed by international organisations should not be exempted from their liability to pay Canadian income tax.

Mr. RICHARD: Is that the case now as far as our employees on NATO are concerned? We have employees?

Mr. LESAGE: It cannot be, because the bill is not passed.

Mr. RICHARD: But we have employees?

Mr. LESAGE: This agreement is not in force because it has to be ratified by at least six countries before it comes into force.

Mr. RICHARD: But we have got NATO employees now?

Mr. LESAGE: We have.

Mr. WERSHOF: I think I can give you some information on that. There are not very many Canadians working for NATO at the present time. There are four working for NATO who are Canadian civil servants on loan really to NATO.

Mr. STICK: Who pays them?

Mr. WERSHOF: As far as I know the Canadian government is still paying them and it is not at the present time being reimbursed by NATO. I think in the future some arrangement may be made under this article.

Mr. GRAYDON: Will there not be a rush of Canadians to get on the NATO payroll so that they can get out of paying income tax?

Some Hon. MEMBERS: It depends on the payroll.

Mr. WERSHOF: I should not think so and if there were a rush they would not get there because NATO is not employing large numbers of people by any means. In any event, it costs people a great deal more to live in places like London or Paris when working for Nato, than it would if they worked here in Ottawa. I do not think they would really be much better off.

Mr. QUELCH: How do the salaries paid by NATO compare with those paid by Canada?

Mr. WERSHOF: I have not the salary scale available.

Mr. QUELCH: Are they generally higher or lower?

Mr. WERSHOF: As I recall them they are much the same as the Canadian scales.

Mr. LESAGE: Mr. Brown can answer your question, in a comparison with the United States?

The WITNESS: I do not think it is a direct answer to your question but it is related to it. One of the advantages of an arrangement such as that which is authorized by this article, is that it would enable a member state to pay its own nationals at a salary scale they were accustomed to. The salary scales of many NATO countries are not the same. Consequently, in the case of a country for example such as the United States which, generally speaking, pays relatively higher salaries, their nationals who might be assigned to the organization would not be prejudiced by the fact that they were obliged to accept lower salaries which might be paid by the organization.

Mr. GRAYDON: Could I ask one question about the contribution by various members of NATO? Do they all contribute the same with respect to NATO civil service—if I may use that term? Or do they make contributions on a similar level to that to the United Nations?

Mr. LESAGE: That is of course outside the scope of this bill, Mr. Graydon.

Mr. GRAYDON: I do not think it is—in regard to Article 19?

Mr. LESAGE: Well, the contribution of Canada to NATO is well known—and that is the contribution.

Mr. STICK: How much is it?

Mr. LESAGE: I am not in a position to say.

Mr. GRAYDON: If it is well-known we ought to know something about it.

Mr. LESAGE: It is well-known that we make one contribution.

Mr. GRAYDON: What I am trying to get at is do we make the same contribution to the NATO civil service as the United Kingdom or the United States, or is there a different level?

Mr. LESAGE: There is no special contribution for the civil service. There is one general contribution to NATO.

Mr. MACNAUGHTON: In other words you are still in the organizational set-up stage?

Mr. LESAGE: It is like the case of the United Nations. We do not pay a special contribution, Mr. Graydon, for the international staff of the United Nations. Our contribution is a general contribution to the United Nations.

Mr. GAUTHIER (*Portneuf*): Your quota?

Mr. LESAGE: Yes, and it is the same with NATO.

Mr. GRAYDON: What is our general contribution to NATO as compared with the United States and the United Kingdom?

Mr. LESAGE: I am not in a position to answer that question. I do not believe we can allow the officials to answer it.

Mr. RICHARD: Suppose we pay, or the United States paid all of its employees directly? Should not the contribution be less than if those employees were paid out of the general fund?

Mr. LESAGE: I understand that would be taken into account, but that it would be a very small amount compared to the total contribution. Do you not agree, Mr. Wershof?

Mr. WERSHOF: I think on the particular point, the idea of the agreement that could be made under this is that if one of the governments chooses to take advantage of this and to pay the salaries of its nationals who are working for NATO, then it will get, under the special agreement, reimbursement from NATO—not for all the money but for that part of the money which NATO would have paid anyway.

For example, if there is a job in NATO for which NATO would pay 2,000 pounds per annum—roughly \$6,000—and if one of the countries, a member of NATO, has made an agreement under Article 19 under which that country pays those of its nationals working for NATO, and if a Mr. Smith is holding down that particular job, the government of his country may choose to give him \$10,000. That is their business; and if they wish to impose income tax on that amount that is also their business—but they will get reimbursement from NATO to the extent of \$6,000 which was the amount that was agreed by the NATO deputies in London as the NATO salary for that particular job.

So, nobody loses anything. NATO pays out \$6,000 which is the proper amount; the man gets what his government chooses to give him; the government imposes its income tax if that is its policy; and everybody is happy under the scheme.

Most governments will not take advantage of this—they are prepared to accept the first sentence and have nationals completely tax free if working for NATO. There may be one or two governments which wish to take advantage of the second part of the article.

Mr. STICK: This may not be a fair question and you may not be able to answer, but has NATO advanced to such a degree that contributions to NATO of member states have been worked out?

Mr. WERSHOF: There is a NATO budget for housekeeping expenses—as distinguished from the military expenses which are the main expenses NATO has. There is a NATO budget. To the best of my knowledge it is not a public document and in any event I have not it with me tonight. I do not think we would be at liberty to spread it on the record, but a budget has been worked out to cover the housekeeping of NATO—which would include rent of buildings, stationery they use, coal for burning in fireplaces, wages of NATO employees.

A tentative agreement has been reached as to how the NATO budget should be met—as to how the different countries should contribute. There again I think, as Mr. Lesage says, the scale of contribution is not public information.

Mr. STICK: Well, as I say, if the information cannot be given it is all right. However, I take it that before we can make that contribution it would have to be passed by parliament—it would have to be ratified by parliament before it could be operative?

Mr. LESAGE: That is a question of government policy on which I am not at liberty to give an answer.

Mr. GAUTHIER: Is it not implicitly ratified when we voted for the North Atlantic Organisation?

Mr. LESAGE: I am not in a position to answer.

Mr. STICK: Well, I do not want to carry it any further.

Mr. QUELCH: If the amount of the salary we paid was equivalent to the amount which would be paid by NATO, would that amount reimbursed to us by NATO be the amount we paid less the amount of tax which we levy?

Mr. WERSHOF: Mr. Chairman, to begin with, let me repeat that no such an agreement has yet been made by Canada and I do not know whether or not it will be made. But supposing this was in force, and supposing an agreement had been made under article 19, the idea is that the government which provides the salary of its own national who is actually working for NATO would be reimbursed by NATO up to the limit of the amount which NATO would have paid to that man.

NATO has established a salary scale for each job and if the Canadian government should choose to employ, let us say, a stenographer, and pay her, and send her over to work for NATO, the Canadian government can be reimbursed up to the amount that NATO would pay the stenographer for that job. But if the Canadian government is paying exactly the same amount, and levying income tax on it, then in theory the Canadian government could make something on the deal.

Mr. QUELCH: Apparently they could be ahead on the deal.

Mr. WERSHOF: It is not possible, however, to send a stenographer over to London to work for the amount of money that we can give her here because she would not be able to live. So it is more than likely that she would be getting more money from the Canadian government. Therefore the chances of the Canadian government making any profit on the deal are not great.

Mr. GRAYDON: Wherever NATO is functioning I should think there would be bound to be a chaotic disruption among the people, for example, who would be sitting at the same desk, because the nationals of one nation would be getting a certain salary while the nationals of another nation might be getting quite a different salary, and the result would be that there would be no salary scale observed at all. What would happen if that sort of chaotic situation arose?

Mr. WERSHOF: I agree that something like that could result from this article. I do not think that anybody was terribly happy about the article. It was simply a compromise. Some governments wanted the opening sentence to be the whole article and to stop right there. There were other governments such as the Canadian government which made a reservation similar in nature to the one in the United Nations convention. The United States and the Canadian government wished to adhere to the principle, for example, that a Canadian who otherwise would be liable to pay income tax would not cease so to be liable because he was working temporarily for NATO. And this article was a compromise which was hammered out to try to please everybody a

little bit. But I do suggest that a chaotic condition is not likely to appear, because, to begin with, most of the countries belonging to NATO have no intention, to the best of our knowledge, of making an agreement under the second part of article 19. It may well be that there will be a few cases in which there will be two men sitting in the NATO office at London doing similar work, one of them getting \$5,000 a year, which is the NATO scale, while the other man will be getting more money because his government chooses to give him more. This was recognized by the governments who signed this and they were willing to accept it because there was nothing else to do. They had to agree on something.

Mr. GRAYDON: The only recourse for the man getting the low salary is to try to get his government to replace him with another.

Mr. LESAGE: Suppose a United States citizen of a certain rank is working temporarily for NATO in Washington, and suppose that next door to him there is an officer of the same rank working for about the same salary. The first-one could be tax-free, if we have only the first sentence; while the other one would have to pay his taxes. So it is to prevent such a state of affairs, especially in the case where a national of a country is working for NATO in that country, and to prevent a state of affairs like this from occurring. It is being done mostly for that reason.

Mr. WERSHOF: I think that is the case. There are people working for NATO in Washington; in the case of the United States, there are some people working for NATO in the United States and they might be United States citizens; and under the law and policy of the United States they would not be willing to accept the first sentence as the whole provision. And neither was Canada, on a matter of principle. So they thought they had to work out something by which the countries which wish to do so can impose their own tax on their own nationals who are resident in that country. It is a compromise provision and, like all compromises, it is open to criticism on purely logical grounds.

Mr. MACNAUGHTON: Carried.

The CHAIRMAN: Shall article 20 carry?

Carried.

Shall article 21 carry?

Carried.

Mr. FRASER: I think it could be explained perhaps a little better, Mr. Chairman.

ARTICLE 21

1. Experts (other than officials coming within the scope of Articles 18 and 20) employed on missions on behalf of the Organisation shall be accorded the following privileges and immunities so far as is necessary for the effective exercise of their functions while present in the territory of a Member State for the discharge of their duties;

- (a) immunity from personal arrest or detention and from seizure of their personal baggage;
- (b) in respect of words spoken or written or acts done by them in the performance of their official functions for the Organisation, immunity from legal process;
- (c) the same facilities in respect of currency or exchange restrictions and in respect of their personal baggage as are recorded to officials of foreign Governments on temporary official missions;
- (d) inviolability for all papers and documents relating to the work on which they are engaged for the Organisation.

2. The Chairman of the Council Deputies shall communicate to the Member States concerned the names of any experts to whom this Article applies.

Mr. WERSHOF: I could give some examples.

Mr. LESAGE: Yes, that would be a good way.

Mr. GRAYDON: I would like to hear of one example of an expert. I have seen a lot of them and I have never found them to do that. So I would like you to mention one or two men who are experts.

Mr. WERSHOF: I won't give any names, Mr. Chairman; but the idea of the article as I understand it is this: Article 18 deals with what you might call civil servants of the organisation in London, Washington, and Paris. There are certain full time employees of various grades running all the way from office boy up to high executives working on salary for the organisation. The most important of them are mentioned in article 20. There are only a few of them which will have full diplomatic privileges.

Consider the Defence Production Board which is one of the agencies of NATO. From time to time that board will have occasion to employ government or industrial experts in a particular field of production. For example, in the case of the army, it might be for tank production. The Board might have to recruit a team of experts for tank production. That team might have to visit certain NATO countries to look at factories to see whether something could be done to improve or to expedite the production of tanks. Those people may be working for NATO for a period of 6 months or 6 weeks; but while they are so working, their privileges would be those which are set out in article 21. They would not be ordinary civil servants of NATO, but they would be experts engaged for a special mission by NATO. Usually they would be borrowed either from a government service or from industry in a case of that kind.

Mr. BATER: They could be mechanical experts of some kind, could they not?

Mr. MACKENZIE: Who designates them as experts?

Mr. LESAGE: According to paragraph 2 the Chairman of the Council Deputies would designate them as experts.

Mr. FRASER: Does he do that after they are arrested or before?

Mr. LESAGE: If you will look at part 2 of article 21, it reads as follows:

2. The Chairman of the Council Deputies shall communicate to the member states concerned the names of any experts to whom this article applies.

Mr. STICK: I think we could say "persons with special qualifications" instead of "experts". I do not think the word should be "experts" at all.

Mr. MACNAUGHTON: We should add that they get a double fee.

Mr. STICK: I propose "persons with special qualifications."

Mr. LEGER: It is the same thing.

The CHAIRMAN: I think we had better leave it without any change.

Mr. GRAYDON: "Expert" itself is bad enough without trying to find a better word.

Mr. LESAGE: May I point out that we have to accept the agreement as a whole or not accept it at all. It was signed here in Ottawa on the 20th of September.

Mr. GAUTHIER (*Portneuf*): We cannot change it.

The CHAIRMAN: I believe it would be better to leave that.

Mr. STICK: We cannot change it.

Mr. LESAGE: We can refuse to ratify it. We can make some reservations but I do not see any point in saying we reserve our decision on the word "experts".

The CHAIRMAN: The only thing we can do is make a recommendation but we cannot make any change in the bill itself.

Mr. STICK: I do not see any point in us wading through all this business here if we cannot change it.

Mr. LESAGE: May I say this article is similar to the one approved by the convention on privileges and immunities of the United Nations, which we accepted. It has worked since without much trouble.

Mr. GRAYDON: I have seen some experts at work in the United Nations and I wouldn't call them experts.

The CHAIRMAN: Shall the article carry?

Carried.

Then article 22.

Mr. FRASER: This article is where the chairman can take the privilege of being an expert away from him; is that right?

Mr. LESAGE: The chairman has the privilege to waive the immunity of any official or expert.

Mr. GRAYDON: That would only be in criminal cases, would it not?

Mr. MACNAUGHTON: That is what it says.

Carried.

The CHAIRMAN: Then article 23.

Carried.

Mr. FRASER: Don't go to fast, we may have some other experts here.

The CHAIRMAN: I am entirely in the hands of the members of the committee.

Mr. GRAYDON: What is meant by "appropriate modes of settlement"?

Mr. FRASER: I just want the chairman to go a little slower so we will have a chance to read this again.

The CHAIRMAN: Do you want to revert back to another article?

Mr. FRASER: No, that is all right. We are on 24?

The CHAIRMAN: Yes.

The WITNESS: This is a provision under which no action has yet been taken. When this agreement was drafted the discussion did not extend to particular modes of settlement. It is a provision on which thinking has not gone very far yet.

Mr. BATER: Wouldn't council have authority to determine arbitration?

The WITNESS: Yes, it is concerned with domestic matters of conciliation.

Mr. LESAGE: The council shall make provision for appropriate modes of settlement. We are leaving to the council the way of settling any disputes.

Mr. STICK: The council makes its own rules.

Mr. LESAGE: Yes, that is right.

Mr. GRAYDON: Section (b) says: "disputes involving any official or expert of the organization to whom Part IV of this agreement applies who by reason of his official position enjoys immunity, if immunity has not been waived in accordance with the provisions of article 22." What type of dispute would that involve?

The WITNESS: I would say that it was domestic matters within the organization. It is a little hard to visualize a precise situation that could be covered by it.

Mr. LESAGE: I can in my mind envisage what it could possibly cover. It is a kind of appeal to the council in cases where under article 22 a waiver of immunity of any official would have been asked from the chairman of the council of deputies. That would set up a kind of appeal to the council itself. You know the council of NATO is formed by the ministers while the council of deputies is formed by representatives of the ministers. Our representative is the high commissioner in London while on the council itself Mr. Pearson is the chairman.

Mr. GRAYDON: It says, "disputes involving any official or expert of the organization to whom Part IV of this agreement applies who by reason of his official position enjoys immunity, if immunity has not been waived in accordance with the provisions of article 22."

Mr. LESAGE: It is a question of waiver of immunity.

Mr. GRAYDON: No.

Mr. LESAGE: It is any dispute involving any official or expert of the organisation if immunity has not been waived in accordance with article 22 by the chairman of the council of deputies whenever the dispute is going to be settled according to the rules set out by the council itself.

Mr. MACNAUGHTON: Doesn't it mean this, it previews a situation where an official or expert of the organisation had some trouble with someone outside the organisation and having immunity the person cannot touch him and therefore the council authorizes the negotiation of a settlement.

Mr. LESAGE: Yes, if the chairman of the council of deputies has not waived immunity.

Mr. BATER: It is a sort of supreme court?

Mr. LESAGE: Yes.

Carried.

The CHAIRMAN: Article 25?

Mr. FRASER: Does this mean that the council can make separate agreements with the member states, and they would have different regulations than perhaps the member states. Is that what it means?

Mr. LESAGE: This article relating to supplementary agreements was included presumably because it appeared on the convention on privileges and immunities in the United Nations. There did not appear to be any clear case where it would be likely to apply.

The CHAIRMAN: It is only a precaution.

Mr. QUELCH: It seems strange it would be in there. It would be discrimination.

Mr. LESAGE: There cannot be any discrimination because any supplementary agreement would have to be worked out in the council and in the council all members states are represented.

Mr. QUELCH: Wouldn't the majority carry?

Mr. LESAGE: No, NATO does not work under rule of majority.

The CHAIRMAN: Article 25 carried?

Carried.

Article 26, shall it carry?

1. The present Agreement shall be open for signature by Member States of the Organisation and shall be subject to ratification. Instruments of ratification shall be deposited with the Government of the United States of America which will notify all signatory States of each such deposit.

2. As soon as six signatory States have deposited their instruments of ratification, the present Agreement shall come into force in respect of those States. It shall come into force in respect of each other signatory State, on the date of the deposit of its instrument of ratification.

By Mr. Decore:

Q. What do you mean "subject to ratification"—ratification by whom?

—A. By the member states.

The CHAIRMAN: Shall the article carry?

Carried.

Article 27?

Carried.

Now, we will revert back to the second page, the one after the number of the bill—the power to make necessary orders. That is item 2.

Mr. MURRAY: Mr. Chairman, on the subject of the title—

The CHAIRMAN: We are on the clause now, agreement of power to make necessary orders. Shall it carry?

Carried.

Now, we are on the schedule of Part I, general, Article 1. Shall article 1 carry?

Carried.

Article 2?

Carried.

Article 3?

Carried.

Part II, Organization, Article 4—shall it carry?

Carried.

Article 5, shall it carry?

Carried.

I think someone wanted to put some questions on Article 6. It is the last one we have before us now, Article 6.

The premises of the Organisation shall be inviolable. Its property and assets, wheresoever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation or any other form of interference.

Mr. GRAYDON: There was to be a statement made, I think, in connection with Article 6.

Mr. LESAGE: Was it on a particular point, Mr. Graydon?

The CHAIRMAN: This is Article 6 on page 3, Part II.

Mr. FRASER: Who has the statement to make, Mr. Chairman?

The CHAIRMAN: I do not know if it was a statement or a question or by one of the members.

Mr. RICHARD: Is not that where Mr. Graydon put the question of paying municipal taxes?

Mr. GRAYDON: I think I was aided and abetted by the member for Ottawa East on that subject.

Mr. LESAGE: It is about the vote, I think.

The WITNESS: I have it here if you want it.

Mr. LESAGE: If my memory is correct that was it.

Mr. FRASER: That was it, Mr. Chairman.

The WITNESS: The particulars will be found in Vote 337, page 45 in the estimates of the Department of Public Works and the details of the vote appear at 345 under the caption "primary 19".

By Mr. Fraser:

Q. What was the vote?—A. The estimate was \$70,000.

By Mr. Graydon:

Q. Was that to cover the Dominion Government's share of the compensation to the city of Ottawa with respect to foreign legations in the city?—A. Yes, Mr. Graydon.

Q. That was the full compensation the government gave on that occasion?—A. Yes, Mr. Graydon. There is a minor error that has been detected. I have a short statement which I will put in in connection with it. In case you look this particular item up, it now reads "taxes and water rates." The explanation I want to give is that that language appears to have been included for some years and I have conferred with the departmental solicitor of the Department of Public Works and we agree that no water rates have apparently been paid under this vote for six years. Prior to that time foreign missions received the benefit of the rates applicable to town property and there was an adjustment with the city made through the Department of Public Works. The practice which is now followed is that foreign missions pay water rates on the basis that they are payments for services rendered; in other words, the sum that I mentioned in response to Mr. Fraser's question is solely in respect of the partial indemnification for tax only.

Mr. RICHARD: That would be a very small tax rate from the amount of buildings we have for legations in the city?

Mr. LESAGE: Well, \$70,000 is equivalent to the taxes, not the value of the property.

Mr. RICHARD: I know that, but in any event it is \$70,000 only.

The WITNESS: Well, Mr. Richard, my understanding is the payment was made the same as the payment in respect of Crown property prior to the enactment, I think it was two years ago, of the Municipal Grants Act. I think it averaged about two-thirds.

Mr. GRAYDON: How many legations are there in Ottawa that are owned by foreign governments?

The CHAIRMAN: Of course, that will come in another department.

The WITNESS: I am not sure I can tell you definitely, Mr. Graydon, but I would say it is between ten and twenty. This exemption only applies to the embassy proper and the chancery. It does not apply to any property that is purchased by the lower diplomatic officials.

Mr. RICHARD: Just the same that would represent an assessment of about \$1½ million, which is very low—must be special bargain.

Mr. LESAGE: Mr. Richard, this is pursuant to an arrangement administered by the Department of Public Works.

Mr. RICHARD: As I was saying before, Mr. Chairman, I think all these should have been brought up before in a sitting of this committee at another session.

The CHAIRMAN: When we have the estimates of the Department of External Affairs.

Mr. LESAGE: And this does not even come under our estimates; it is the estimates of the Department of Public Works.

The CHAIRMAN: Shall the article carry?

Carried.

Shall the short title carry?

Carried.

Mr. MURRAY: Mr. Chairman, on the title, the tendency would be to call this NATO, which is obviously a mechanical contrivance, an abbreviation. It is not very dignified. I think it should be referred to always by the Canadian people as the North Atlantic Treaty Organisation. Now, it has to do with the peace of the world and with a friendly alliance between great nations and I would object to going in with the Americans on these abbreviated and meaningless alphabetical items. It is the North Atlantic Treaty Organisation and if it is so described officially then the people will understand what it is and there would be some chance of its surviving, but if it is going to be NATO along with the other abbreviations which are bandied about in the press from day to day, I think the dignity of the organization will be sadly lowered.

Mr. MACNAUGHTON: You mean it will only be understood by the Department of External Affairs.

The CHAIRMAN: As you will notice, the full title carries the words North Atlantic Treaty Organisation. So does the short title. It is not included in there. It is not called NATO there.

Mr. MURRAY: It only takes a minute longer to mention the full title.

The CHAIRMAN: The full title reads that way. There is no NATO there.

Mr. MURRAY: I mean, it brings in the common slang of the country, and I do not think it should.

Mr. GRAYDON: I have listened to the honourable member for Cariboo referring to the C.C.F., not to the Cooperative Commonwealth Federation.

Mr. FRASER: I think, no matter what we call it, it will always be referred to as NATO by people at large.

The CHAIRMAN: Yes, it is always simpler to use these letters the same as in the case of the United Nations which is referred to popularly as the U.N.

The CHAIRMAN: Shall the Title carry?

Carried.

The CHAIRMAN: Shall I report the bill?

Agreed.

The CHAIRMAN: Thank you, gentlemen; and on behalf of the members of the committee I think I should thank our clerk and the officials of the department; and also yourself, Mr. Lesage.

Mr. GRAYDON: And our congratulations also to you, Mr. Chairman.

The CHAIRMAN: Thank you.

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Government
Publications

HOUSE OF COMMONS

Sixth Session—Twenty-first Parliament, 1952

CRC

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. BRADETTE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

FRIDAY, APRIL 4, 1952

ITEM 85

Main Estimates of the Department of External Affairs—Departmental Administration.

WITNESS:

Mr. A. D. P. Heeney, Q.C., Under-Secretary of State for External Affairs.

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. Bradette, Esq.

Vice-Chairman: Gordon Graydon, Esq.

Messrs.

Balcer,	Fraser,	Macnaughton,
Bater,	Gauthier (<i>Lac-Saint-</i>	McCusker,
Benidickson,	<i>Jean</i>),	Murray (<i>Cariboo</i>),
Bennett,	Gauthier (<i>Portneuf</i>),	Picard,
Coldwell,	Green,	Pinard,
Cote (<i>Matapedia-</i>	Higgins,	Quelch,
<i>Matane</i>),	Jutras,	Richard (<i>Ottawa East</i>),
Croll,	Kirk (<i>Digby-Yarmouth</i>),	Riley,
Decore,	Lesage,	Robinson,
Diefenbaker,	Low,	Stick.
Fleming,	MacDougall,	
Fournier (<i>Maisonneuve-</i>	MacInnis,	
<i>Rosemont</i>),	MacKenzie,	

(Quorum 10)

E. W. INNES,
Clerk of the Committee.

ORDERS OF REFERENCE

TUESDAY, March 18, 1952.

Resolved,—That the following Members do compose the Standing Committee on External Affairs:—

Messrs.

Balcer,	Fournier (<i>Maisonneuve-Rosemont</i>),	MacDougall,
Bater,	Fraser,	MacInnis,
Benidickson,	Gauthier (<i>Lac-Saint-Jean</i>),	MacKenzie,
Bennett,	Gauthier (<i>Portneuf</i>),	Macnaughton,
Bradette,	Graydon,	McCusker,
Coldwell,	Green,	Murray (<i>Cariboo</i>),
Cote (<i>Matapedia-Matane</i>),	Higgins,	Picard,
Croll,	Jutras,	Pinard,
Decore,	Kirk (<i>Digby-Yarmouth</i>),	Queleh,
Diefenbaker,	Lesage,	Richard (<i>Ottawa East</i>),
Fleming,	Low,	Riley,
		Robinson,
		Stick—35.

(Quorum 10)

Ordered,—That the Standing Committee on External Affairs be empowered to examine and inquire into all such matters and things as may be referred to them by the House, and to report from time to time their observations and opinions thereon; with power to send for persons, papers and records.

WEDNESDAY, April 2, 1952.

Ordered,—That Votes No. 85 to No. 115, inclusive, of the Main Estimates, 1952-53, be withdrawn from the Committee of Supply and referred to the said Committee, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

FRIDAY, April 4, 1952.

The Standing Committee on External Affairs begs leave to present the following as a

FIRST REPORT

Your Committee recommends:

1. That it be empowered to print, from day to day, 600 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence and that Standing Order 64 be suspended in relation thereto.

2. That it be granted leave to sit while the House is sitting.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

MINUTES OF PROCEEDINGS

FRIDAY, April 4, 1952.

The Standing Committee on External Affairs met at 11.00 o'clock a.m. this day. The Chairman, Mr. Joseph A. Bradette, presided.

Members present: Messrs. Bater, Bennett, Bradette, Coldwell, Cote (Matapedia-Matane), Diefenbaker, Fleming, Fournier (Maisonneuve-Rosemont), Fraser, Gauthier (Lac-Saint-Jean), Gauthier (Portneuf), Graydon, Jutras, Lesage, MacDougall, MacKenzie, McCusker, Murray (Cariboo), Quelch, Richard (Ottawa East), Stick. 21

In attendance: Mr. A. D. P. Heeney, Q.C., Under-Secretary of State for External Affairs; Mr. H. O. Moran, Asst. Under-Secretary of State for External Affairs.

The Chairman thanked the Committee for the honour again conferred on him, and congratulated Mr. Heeney on his appointment to NATO.

The Orders of Reference were read.

On motion of Mr. Coldwell,

Resolved,—That Mr. Gordon Graydon be Vice-Chairman of the Committee.

On motion of Mr. MacDougall,

Resolved,—That permission be sought to print, from day to day, 600 copies in English and 250 copies in French of the Minutes of Proceedings and Evidence.

On motion of Mr. Bater,

Resolved,—That the Committee request permission to sit while the House is sitting.

On motion of Mr. Fleming,

Resolved,—That a Sub-Committee on Agenda and Procedure, to be selected by the Chairman, be appointed.

The Committee then proceeded to the consideration of the Estimates of the Department of External Affairs, item No. 85.

Mr. Heeney was called. He outlined the work of the Department of External Affairs during the yast year, and some of the plans for the future.

At 12.35 o'clock p.m. the Committee adjourned until 4.00 o'clock p.m. Tuesday, April 8.

E. W. INNES,
Clerk of the Committee.

MINUTES OF EVIDENCE

April 4, 1952.

11 a.m.

The CHAIRMAN: Gentlemen, we have a quorum.

I will first take this opportunity to thank you for the fine attendance we have had here in previous years and for the fine work you have done in helping us in every possible way with our activities.

I think now it will be in order to felicitate Mr. Heeney upon his appointment as Canadian Representative on the North Atlantic Council. He will not likely be with us very often during this present session.

Mr. FLEMING: And we might add a word of regret that he is leaving his present post too, Mr. Chairman?

The CHAIRMAN: I want to say that too, although I believe we will gain in NATO what we lose here. I suppose that is the way we have to think of it in our own minds.

Mr. COLDWELL: I hope he will take with him all the advice we have given in the past.

Mr. MacDOUGALL: That you have given him.

Mr. GRAYDON: I suppose he can sift that advice out.

The CHAIRMAN: We will go on with our agenda and, in view of the fact that Mr. Heeney will be going away shortly, he will give us some pronouncements in this meeting and the next one. We will start with Mr. Heeney after we have completed the routine matters that go with our first meeting.

Mr. GRAYDON: How long will Mr. Heeney be available?

The CHAIRMAN: For two meetings.

Mr. HEENEY: I understand that this committee will meet again on Tuesday. I will be glad to be at that meeting too if it is the wish of the committee. I shall not be leaving until a week from Monday, until then I can attend at any time which suits the convenience of the committee.

The CHAIRMAN: Would it be satisfactory to proceed in that way?

Mr. FRASER: What time will we meet on Tuesday? Banking and Commerce is meeting at 11 o'clock.

The CHAIRMAN: We intended to meet at 4 o'clock. I believe that is the time given on the notice.

Mr. FRASER: That will be all right.

The CHAIRMAN: The first order of business is the election of a vice-chairman. I have already expressed my sentiments in the House of Commons.

Mr. COLDWELL: I move that Mr. Graydon be our vice-president.

Mr. STICK: I will second that motion.

Carried.

The CHAIRMAN: The next matter is that the order of reference be read. You know what it is but it will not take very long:

That the standing committee on External Affairs be empowered to examine and inquire into all such matters and things as may be referred to them by the House and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

LEON J. RAYMOND,
Clerk of the House.

STANDING COMMITTEE

Next is the question of a motion to reduce the quorum. Would you like to see it reduced further or remain as it is with ten members at the present time?

Mr. FLEMING: That is low enough.

Mr. FRASER: We couldn't have it much lower.

Mr. STICK: We had eight at one time.

Mr. BATER: I would move that we leave it as it is.

Mr. FLEMING: If it is to stay at ten we do not need a motion.

The CHAIRMAN: Then the next is a motion regarding the printing of our proceedings. Upon the information that I have received 500 copies in English seems to be running close to the borderline and is not quite sufficient. We thought we might print 600 copies in English this year and 250 in French. Apparently there has been quite a demand for the English copies of our Record. All in favour of printing 600 copies in English and 250 copies in French?

Agreed.

We require a motion to sit while the House is sitting. Do you agree?

Agreed.

Now there is next on our agenda the matter of our order of business, for instance that witnesses be called. I suppose we can refer that to the steering committee.

Mr. COLDWELL: We can defer it.

Mr. FLEMING: There will have to be a steering committee set up.

The CHAIRMAN: What is your pleasure with regard to the appointment of a steering committee?

Mr. FLEMING: Would not the same basis as has prevailed in previous years be satisfactory—as to size and composition of the steering committee?

The CHAIRMAN: Whatever you decide will be satisfactory to me. I have always had very fine co-operation from the steering committee and they have worked very diligently.

Mr. COLDWELL: Let it be the same as last year.

The CHAIRMAN: Is that satisfactory?

Agreed.

Now, I will call the first item of the estimates of the Department of External Affairs for the year 1953, appearing, on page 12.

Mr. GRAYDON: Before you proceed, Mr. Chairman, it is understood, I take it, that the reason we are changing the order of our witnesses before the committee is that Mr. Heeney is going to NATO. As soon as he is finished we will have the Minister of External Affairs?

The CHAIRMAN: Yes.

Department and missions abroad, item 85.

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
	A—DEPARTMENT AND MISSIONS ABROAD					
85	Departmental Administration.	159	2,613,057	2,272,597	340,460	

Shall item 85 carry?

Mr. FLEMING: I presume that Mr. Heeney's evidence for these two days will not all relate to the first item?

The CHAIRMAN: It will be a general statement and I am calling the item just to open the discussion.

Mr. FLEMING: We will not debate any item until the minister has been here.

The CHAIRMAN: Well, we do this in the House of Commons too. We call the first item and then anything may be dealt with.

Mr. A. D. P. Heeney, Under Secretary of State for External Affairs.

The WITNESS: Perhaps I might say that the minister himself was of course quite willing to come to this first meeting. However, he deferred to the wishes of the committee so that they might hear me before I had to leave Canada.

First of all, may I say that I am very grateful indeed for the expression of good wishes that the committee, through the chairman and others, have expressed to me on my appointment as Permanent Representative of Canada to the North Atlantic Council. I am very conscious of two things: First, my regret at leaving the department of which I have been for three years deputy minister. This is a very real regret. Second, if the committee will permit me to say so, there is the pleasure I have had and it has been a real pleasure, in being able to sit down with you gentlemen and discuss questions which we are most anxious to discuss with parliamentary representatives of our country. I think all officers of the department would agree with me that our experience in the External Affairs Committee of the House of Commons has been a most useful one for the department. Certainly, it has been most helpful to me because different viewpoints of different members of the committee are a supplement to the expressions of opinion which are to be found in *Hansard*.

I feel that in my new post this experience will be most valuable to me.

It has been the custom in the past for the under secretary to begin the consideration of the administration of the department with a general statement. I have prepared a statement of that character. I should like to say at the outset that it is designed to assist discussion in the committee on the departmental estimates.

I have attempted in this statement to draw attention to the new features in the estimates—that is to say new as compared to last year's—and to try to anticipate as far as possible questions upon which members of the committee may wish to be informed more fully. Of course I, and the other officers of the department, will be very happy to answer any further questions that may be asked.

If it is your wish then, Mr. Chairman, I will go ahead then with this rather long statement.

Mr. STICK: Do you have copies of the statement?

The WITNESS: I have one which I have given to the reporter. I could have further ones prepared if it would be of any help.

Mr. COLDWELL: It will be on the record which we will get in a few days.

Mr. STICK: I thought if you had some copies we could follow them along.

The WITNESS: I am afraid it was done quite late last night and we only have one or two.

The CHAIRMAN: Suppose we agree that Mr. Heeney will make the statement and afterwards there will be time for questioning.

The WITNESS: If the committee would like to interrupt me I will be perfectly happy to answer at any time.

Mr. FLEMING: Would it not be better to have the statement complete first, Mr. Chairman?

The CHAIRMAN: Is that agreeable?

Agreed.

The WITNESS: It has been customary for the under secretary when first appearing before this committee to make a general statement, drawing attention to some of the major changes in the amounts set out in the department's estimates in comparison with those of the last fiscal year.

Before dealing with the figures, it might be well for me to refer to two recommendations made by your committee last year:

One, that the U.N. General Assembly continue to urge that the budgetary contributions of the Soviet Union and associated countries be increased to figures that more closely correspond to their capacity to pay;

The other, that a closer liaison be established between our Department and the International Service of the Canadian Broadcasting Corporation with a view to ensuring, in the interests of the free way of life, the maximum effectiveness of broadcasts directed to peoples behind the Iron Curtain.

With regard to the first some progress was made at the last General Assembly in the matter of adjusting the scale of assessments of member governments in the direction the committee recommended. In the debates in the Assembly on administrative and budgetary questions, the Canadian delegation took an active part not only in support of all possible economies consistent with efficiency, but also towards the desirable end that the contributions of member states should be based upon their capacity to pay and on the principle that no one government should contribute too large a proportion of the budget.

Indeed, the chairman of the fifth committee was Mr. Stone, now our minister at Stockholm. He was a member of the Canadian delegation at the Assembly in Paris. Because of his chairmanship Canadian interest in these questions was even greater than it would have been under normal circumstances.

The members of the committee will remember there were two objectives. First to try to relate the assessments and payments or contributions to real capacity to pay, and, on the other hand, the desirability of not allowing any one country to be too large a contributor.

The Assembly approved a substantial increase (totalling 3.72 per cent) in the contributions of the Cominform States as follows:

	1952	1951
U.S.S.R.	9.85	6.98
Byelorussia	0.34	0.24
Czechoslovakia	1.05	0.99
Ukraine	1.30	0.92
Poland	1.36	1.05

In partial implementation of the principle of the 33 1/3 per cent ceiling accepted by the Assembly in 1948, the United States contribution was dropped from 38.92 per cent to 36.90 per cent. This decrease in the U.S. contribution, together with a significant improvement in Canada's economic position, resulted in a small increase from 3.3 to 3.35 per cent in Canada's own contribution for 1952—substantially the same but a little bit up.

In approving the scale of contributions, the Canadian delegation insisted that further progress towards the elimination of the remaining maladjustments, particularly in the contribution of the U.S.S.R., should be made during the next year.

Progress has also been made on the committee's other recommendation concerning closer liaison with the C.B.C. (I.S.). Mr. Jean Desy, our former ambassador to Italy, and one of the senior officers in the diplomatic service, has recently been appointed to the post of Director General of the C.B.C. International Service. For that purpose Mr. Desy has been seconded from the foreign service to the C.B.C. He still remains a member of the foreign service of Canada, however. At the present time, one officer of the department is spending some time regularly each week in Montreal conferring with the director general on current information available to the department. A considerable volume of information is thus referred to the director general each week. An experienced officer will be seconded later on a full-time basis to represent the Department on the staff of C.B.C. International Service. We also plan to have all officers, before they depart abroad, spend some little time with the C.B.C. (I.S.), so they may be aware of the problems from the broadcasting point of view. When they go abroad they will be in a position to make suggestions and recommendations as to how the service may be improved for listeners in the areas of which they will then have some personal knowledge.

Mr. COTE (*Matapedia-Matane*): May I direct a question at this point? You said, if I am not mistaken, that somebody objected to something on the question of international relations?

The WITNESS: No, Mr. Chairman, there was no objection. It was as a result of this committee's suggestion last year that the department be brought into closer relationship with the C.B.C. International Service. There are two steps that we have taken. One is the appointment of Mr. Desy as director general and the other was to provide him with a regular liaison officer seconded from the department for that purpose.

The director general has expressed his satisfaction with the new relationship between the department and C.B.C. (I.S.) along that line.

The estimates, as the committee will observe, are divided into three main sections:

(a) those votes which deal with the normal operations of the department, that is, "Section A—Department and Missions Abroad"—on pages 12 and 13 of the Blue Book;

(b) the Canadian government's assessment for membership in international or commonwealth organizations—on page 14, and

(c) the "Terminable Services"—on page 15.

First of all, with regard to department and missions abroad the committee will notice that we are asking this year for \$10,100,000 as compared with \$8,700,000 last year, an increase of \$1,400,000.

The individual increases which go to make up this increase totalling \$1,400,000, derive from two principal requirements: First, those arising from the proper staffing of the department and those relating to the proper housing of our posts abroad.

During the past year, an "Establishments Board" of the department, on which Treasury Board and the Civil Service Commission are represented, has made a detailed critical examination of the personnel requirements appropriate to the performance of our work in Canada and abroad. The increased estimates reflect the cost of implementing some of the alterations in our staff establishment recommended by this establishments board.

Just to emphasize this, the board is a departmental board upon which the Treasury Board—our financial governors—and the Civil Service Commission who have general authority and general responsibility for employment are represented. By this device we are able to operate with those two authorities, right from the ground up.

You will notice that the vote for "Representation Abroad (Salaries)" is \$50,000 less than it would have been if our staff requirements had been completely filled. In other words, there is a lag between our present staff level and our staff requirements. The reason for this is found in our staffing procedure. Our foreign service officers are recruited from the ranks of university graduates. Every year there is a new crop of graduates from amongst whom we hope to recruit some of the most capable. If we were to fill our total requirements in one year, we would have to take in a good many candidates of a lower standard than is usually found at the top of each graduating class. We strive, therefore, to keep enough positions open to take care of the best candidates who graduate from year to year and participate in the periodical Civil Service Commission examinations which are normally held annually. We will effect a modest intake during the coming fiscal year and extra positions have been provided in the estimates for this purpose. This is why increased amounts are asked for under both departmental administration and representation abroad (salaries).

Of the \$340,460 increase asked under departmental administration, and this is one of the major items of the increase, \$238,000 is required for salaries. \$138,300 of this is to take care of the increases in rates of pay approved with effect December 1. This was part of the general increase of rates of pay throughout the civil service. The remainder results principally from a \$27,000 increase for the carriage of diplomatic mail (attributable to the increased tempo of business) and \$25,000 for the production for distribution abroad of what is to be known as a "Canada Leaflet". This small pamphlet will be designed to take the place of the former, more expensive publication which members of the committee will remember was named "Canada from Sea to Sea".

The \$28,000 increase in the passport office vote comes about largely from adjustments in salaries and a small increase in staff to take care of a special job of microfilming of our passport records. These passport records became physically very embarrassing and we finally had to resort to microfilming which of course reduces our storage problem and eventually provides for a real saving. The passport business continues to be very brisk and we are making provision this year for an extra 10,000 passports, unfortunately at a higher cost of production.

Under "Representation Abroad (Operational)", the increase amounts to \$335,000. This is more than accounted for by staff increases, in the increase in salaries granted from December 1 last and in the upward adjustment of allowances resulting from increased costs of living abroad. Members of the committee will find me referring to this increased cost of living abroad quite frequently, but they will appreciate the fact that the inflationary influences in countries in which many of our posts are located presents a very serious and difficult problem. There is also a rather special requirement of \$64,000 for security equipment in offices abroad. This is a matter which came before the committee last year and I had an opportunity as I remember of describing some of the security problems we have, unfortunately, to meet. Problems of this character do require very extensive equipment, safes of a very special type, combination filing cabinets also of a very special type.

Now to come to the second element of increases, and this is

Housing.

Now we come to our two capital votes: vote 88, for expenditures involving Canadian dollars, \$312,930; and vote 89, involving blocked currencies, and in this we are asking \$1,654,500. These figures indicate the endeavour we are making to get ourselves properly housed abroad. We still have a long way to go in this matter. In only thirteen of the thirty-three countries where Canada is represented by diplomatic offices do we own property; in other places we lease. In terms of convenience and economy and also of security—for the security measures which can be taken in leased premises are not always of the best—ownership is desirable. We would hope to proceed steadily in a policy of acquiring suitable offices and residences to meet our requirements. We recognize that policy must be implemented carefully and deliberately over a period of years taking advantage of opportunities to meet our requirements as they arise. For example, we feel wise to turn some of the blocked funds abroad into property without delay to get the maximum value before these funds deteriorate further in value, and this is an important element in our deciding to propose a policy of acquisition of real estate. This does not mean that we will buy a property merely to use up blocked funds. We recommend purchase only if the property available is judged to be a good investment and suitable to our purposes and those incidentally of other government departments having requirements in the same country, because we seek in all of these countries to co-operate with these other departments and we do co-operate with them very closely so that we can combine our offices wherever possible.

The scale of our property acquisitions from blocked currencies has increased in recent months. This is reflected in the increased amount we are asking for this year under this heading. We have, in fact, strengthened our staff in Paris to handle this very important part of our affairs, Paris being the central point and also the point where we have the largest amount of blocked funds. It is also the point of supply most convenient for furniture, office equipment and that type of equipment, so that we have set up this small section attached to the embassy there as a little properties and supplies office.

To mention our principal undertakings—in Paris, we are renovating the residence and the chancery building purchased last year, and taking steps to furnish both these buildings. In Italy, we are reconstructing the residence and proceeding with the erection of an office building on the site purchased a year ago.

Mr. FLEMING: Did you say reconstructing or constructing?

The WITNESS: Reconstructing. There is an old house the "Villa Grande" on the site. It will not be completely torn down. This is more than remodeling, it is a reconstruction. We will use some of the walls and some of the foundations. "Reconversion," Mr. Moran suggests is perhaps more accurate. In Japan, we must provide housing for staff members who heretofore have been accommodated in buildings requisitioned under the Occupation. In the Netherlands, we are arranging for the erection of a chancery on a site purchased last year.

Our dollar Capital estimate is \$312,930. We have endeavoured to keep these dollar purchases on capital account to a minimum. In some countries, however, where we are undertaking property developments from blocked currency accounts, we have to make provision for certain supplies of Canadian origin such as electrical and plumbing equipment, which cannot be obtained readily or obtained at all with blocked currencies in those countries.

One item under the Canadian dollar capital account is \$63,550 for the replacement of motor vehicles. Certain of our cars need replacement. This is the estimated amount needed to replace them over and above the value we expect to receive for the old vehicles. It is possible that not all of this amount

may be needed. If, in fact, the foreign market for used Canadian cars continues to be as buoyant as it has been, it is possible that our replacement program may be effected at little or no cost to the taxpayer. However, we felt we had to put this figure in as an estimate.

Membership in International Organizations

Now to turn to the Canadian Government's assessment for "Membership in International Organizations". This is found in Section B of the Estimates, page 14. These are more in the nature of fixed obligations, for once a decision has been taken that Canada participate in an international organization, the inclusion of a figure for that purpose in our Estimates becomes almost automatic. This does not mean that the amount of Canada's assessment in each case does not receive careful consideration. You will, of course, bear in mind that the negotiations—with which some of you are familiar—both as to the percentage and the total budget, form an important part of the work of delegations sent to these international conferences.

Those contributions which are payable in U.S. dollars have been calculated this year at a rate of exchange of 1.04, compared with a rate of 1.08 last year. This is already out of date, and is an example of how difficult it is to estimate so far in advance of the event.

Our U.N. contribution, though our percentage was increased from 3.3 to 3.35, shows a decrease of \$29,000. This comes about from a reduction in the total amount of the U.N. budget and the more favourable rate of exchange for the Canadian dollar this year. You may also be puzzled about some of the other changes.

You will notice an increase of \$135,800 in our contribution to the F.A.O. This is merely a "bookkeeping" increase. Members may remember last year that in order to assist in the move of the organization to its new headquarters in Rome we agreed to pay in advance some of our annual contribution and that is why we have a larger amount showing for this year than last year.

An increase also shows—of \$850,000—for our contribution to the U.N. Technical Assistance Program to underdeveloped countries. Neither is this a true increase. The previous vote to this program appeared in the final supplementary estimates of the year 1950-51 and carried us to December 31, 1951. This amount, therefore, is a repetition of the previous amount voted.

The contribution to NATO also shows a substantial reduction. This really stems from the fact that the figure of \$320,000 put in the estimates for 1951-52 was based upon tentative, very tentative budgetary estimates for running and working capital funds in the early stages in the life of this organization. Not all of the \$320,000 was required; in fact we actually contributed some \$178,000. The \$178,000 asked for this year results from the adoption of a proper budget and an approved scale of percentage contributions. It is probable, however, that further amounts will be required in supplementary estimates for this organization later on.

The next section of our estimates are the votes, beginning on page 15, for the International Joint Commission which, though reporting to the House through my minister, does not form an actual part of the department itself. I might, however, mention the two reductions shown. The commission still has residual work to do in connection with the Niagara Falls reference and they are asking \$10,000 for this purpose. The \$50,000 appropriation not required this year was for the St. John River reference, the studies on which the International Joint Commission completed during the year.

Terminable Services

It is under the last group of votes, beginning with vote 113 on page 15—"Terminable Services" in which the large amounts included in our total of

nearly \$40,000,000 will be found. Here is the \$25,000,000 for the Colombo Plan, and a new vote, 115, for an international organization which rejoices in the abbreviation of PICMME, which means Provisional Intergovernmental Committee of the Movement of Migrants from Europe \$154,600.

Mr. COLDWELL: Has the department ever thought of a dictionary for these abbreviations? How much was that, again?

The WITNESS: \$154,600. This is merely for the administration of this provisional organization which took over for all practical purposes the IRO operations. The \$25,000,000 Colombo Vote is familiar to you. The vote for PICMME is really to permit a continuation of the work of the former International Refugee Organization. The amount we are asking for is the Canadian Government's contribution towards the administrative expenses of this Committee which has its headquarters in Europe and sub-branches in other countries. Further monies needed for the actual financing of the movement of the migrants—that is for the operational side of the business of this Committee—will be found in the Estimates of the Department of Citizenship and Immigration.

The appropriation of \$545,000 under this heading, shown as not required for the current fiscal year, is made up of a contribution last year of \$500,000 to the United Nations Children's Emergency Fund, and \$45,000 for a shipment of relief supplies to Yugoslavia. Consideration is being given to the desirability of making a further contribution to UNICEF; but the matter has not yet been brought to completion. If an appropriation is needed for this purpose, it will be introduced to the House by way of a Supplementary Estimate.

I should now perhaps explain some of the more significant changes in the operational estimates for posts abroad. These are set out beginning on page 164 of the blue book. That is where the details of the departmental estimates are shown for posts abroad. It might, perhaps, be tactful if I began with the decreases.

Mr. FLEMING: You can't fool us that way!

Mr. GRAYDON: It won't take us long, then!

Mr. BATER: Which page are you referring to?

The WITNESS: Pages 164 and 165.

Under China, both at Nanking and Shanghai we have provided this year for small amounts only to look after residual obligations being handled for us by the United Kingdom government representatives. Germany (Bonn) shows a decrease resulting chiefly from the payment last year of rentals for this year in advance. The O.E.E.C. Office in Paris is still shown separately in our estimates although it will become, this year, part of our NATO delegation in Paris. A reallocation of work and personnel between Paris and Washington on O.E.E.C. matters has resulted in a decrease in Paris and an increase under Washington. Poland is lower because of revised allowance scales and a cut we were able to make from last year's provision for operating expenditures which were estimated on the high side, as we had to guard against the effect of the revaluation of the zloty. Detroit, as from the beginning of this new fiscal year, is maintained by the Department of Trade and Commerce. We are providing only for the salary and allowances of one staff member for consular duties.

I would like to comment on the more significant increases in this section.

The provision of monies this year for two new posts opened towards the end of last fiscal year—Finland and Portugal. Mr. T. A. Stone continues to be accredited to both Sweden and Finland. He has his headquarters, of course, in Stockholm. The importance of our Finnish interests made it desirable to open a separate office in Helsinki. We are therefore arranging for a foreign service officer and supporting staff to be stationed in Helsinki this year. That newly

posted officer will be taken over to Helsinki by Mr. Stone to handle the Finnish side of Mr. Stone's responsibilities on the spot. Mr. Stone will continue to have supervision and responsibility for the Finnish office and will visit Finland from time to time. The office in Portugal will be under the jurisdiction of our ambassador to Ireland, who will make periodic visits to Lisbon in our interests. Lisbon may seem to be a long way from Ireland but the arrangement works out fairly well as I have had an opportunity to see.

We had a trade commissioner's office in Lisbon before. What has happened is that the Department of External Affairs has taken over the trade commissioner's office with the same personnel. Mr. Turgeon has gone down to Lisbon and has presented his credentials to the Portuguese government. When he leaves—and he will only go to Lisbon for short periods, perhaps once or twice a year—the senior officer in the trade commissioner's office becomes chargé d'affaires instead of trade commissioner. The offices are the same, the personnel are the same, but in addition they have taken over the diplomatic duty of representing the Canadian government in Portugal.

Mr. GRAYDON: A kind of diplomatic musical chairs?

The WITNESS: I think it is quite a good procedure. I am quite pleased with it. It is economical and sufficient for the purpose.

Mr. GRAYDON: Does the Irish ambassador ever pay a visit to Madrid when he is in Portugal?

The WITNESS: I do not think that he has done so.

I mentioned earlier that we had strengthened our staff in Paris to handle our property developments in Europe. This additional staff, and extra foreign service officers, have raised the estimate for this post—our embassy in France.

We have provided for additional staff in India, and have made provision in the estimates this year for certain arrears of rentals which may come up for payment in the current fiscal year. Yugoslavia shows a substantial increase largely because living and operation costs rose substantially during the year. The revaluation of the Yugoslav currency may give us material relief from the expenditures we had expected and provided for.

The consular work in Sao Paulo, which has been done for us by the office of the Department of Trade and Commerce, developed in such volume as to warrant the appointment from our staff of two persons to look after it.

That is all I wish to say at this time on the major changes in the amounts of money asked for this year compared with those asked last year. I would now like to mention a few facts in connection with our staff, primarily to do with permanencies and promotions, subjects in which this committee has taken interest over the years.

Members will, I think, be interested in the development which has taken place during the year in granting permanent status to temporary employees. You will notice under "Departmental Administration", on page 160 of the Blue Book, that the number of permanent positions has increased from 236 to 303, an increase of 67 during the year in the Passport Office on the next page, an increase from 18 to 29—or 11—has been achieved; and in "Representation Abroad", which follows on page 161, an increase of 22. This represents a total increase in permanent employees during the year of 100. It is the department's policy to proceed with permanent appointments as rapidly as persons pass examinations for permanency and prove themselves worthy to be so appointed. You will notice that 469 temporary positions still remain under our vote for representation abroad. In this connection it must be remembered that 354 of these positions are for locally engaged staff in our various posts abroad. These will have to remain for local temporary assistants for it is not the government's policy to grant permanency to anyone hired locally—employees who are not and cannot under any circumstances be available for permanent appointment.

Mr. STICK: Does that mean they are not Canadian nationals?

The WITNESS: In some cases they are Canadians who for one reason or another are located in, say, London or Paris whom we are able to engage as locally employed staff. They are employees who are not engaged by the Civil Service Commission in the ordinary way.

During the year a new promotion policy for our administrative staff, in contrast with foreign service officer staff, has been developed. Its object is to ensure that members of the department who, by reason of their service abroad, cannot compete in the usual Civil Service promotional competitions, will still have the same opportunity of promotion as persons serving in Ottawa. To this end, a promotion selection board, composed of three members of the department and a representative of the Civil Service Commission has been established. It is the responsibility of this board, whenever a position to which a member of the department's administrative staff may be promoted falls vacant, to review all those in the department who are eligible to receive promotion and to make recommendations to the under secretary. Names of persons considered most deserving of promotion to the vacancy concerned are then forwarded to the Civil Service Commission. I think that has been quite an important improvement in the administration of the administrative or subordinate staff of the department. The new system appears to be working efficiently.

I think it has helped with morale a good deal because people who are abroad sometimes feel that they are missing chances which they would normally have if they were living in Ottawa. Positions fall vacant and they think they have got the same chance as people who are on the spot. It may not seem to the committee to be a very important matter but I mention it because I think it is important in terms of morale among the very considerable number of clerks and stenographers whom we employ in a great many different places.

This, Mr. Chairman, completes my general statement. I have tried to cover the more significant changes in our estimates for this year and have confined my remarks largely to the amount requested for running the department proper—\$10,100,000 odd—out of a total of nearly \$40,000,000. No doubt, the members of the committee will wish to ask for further information as each vote is considered.

Our international interests are widening and the end is not yet in sight. Briefly then, we have provided this year for more staff to meet the foreseeable demands upon us and increases on capital account—mostly from blocked funds—to remedy some of our housing deficiencies abroad.

Mr. COTE (*Matapedia-Matane*): I would like to ask Mr. Heeney whether I understood correctly just what he said. By increasing the cost of our consular services, for instance in Japan, does it not mean that we are really running a consular business?

The WITNESS: We have always operated a consular service within the foreign service. There is no distinction between the two services. We have a very considerable consular business. It tends to increase.

I think what Mr. Gauthier may have in mind is that in the past consular work has been done for us by British consuls in places where we were not represented. As I explained to the committee last year, we are tending to take over, as I think we should, more and more of this work as it affects Canadians. It is a gradual process. Recently a consulate was opened in New Orleans. This was an example of the kind of co-operation which happily exists between the Department of Trade and Commerce and ourselves. For many years, for commercial reasons, the Department of Trade and Commerce

has considered it desirable to have representation in the southern United States. They came to us during the last year and told us that they were prepared to open a trade commissioner's office and asked whether we would be interested in co-operating with them; if so, they would be glad to provide the personnel and they could take over the consular duties. There is quite considerable Canadian consular business in the southern United States. That was the proposition they put to us.

We went into the matter and made an assessment of the amount of consular business being done for Canadians. This arises largely out of the shipping work in the port of New Orleans and in other southern ports. We came to the conclusion that it would be helpful and we did co-operate. The result was the appointment of Mr. Newman not only as trade commissioner but as consul for Canada in New Orleans. That is just one example which comes to my mind of the way in which we are gradually taking over the heaviest of the consular burdens in respect of Canadians—which, up until a few years ago were largely discharged by British consuls in places where we were not represented diplomatically.

Mr. COLDWELL: I was going to ask to what extent we have been able to reciprocate in giving service to the United Kingdom? Has it all been one sided or do we reciprocate?

The WITNESS: I do not think we have reciprocated in consular duties. The British are represented everywhere, or almost everywhere, and I do not know of any place in which we are represented for consular purposes and they are not.

We like to co-operate with the United Kingdom in those matters because they have been so co-operative with us over the years. It is the general policy of the department to do whatever we can. There is a very close feeling of co-operation in these administrative matters with the British foreign service.

Mr. STICK: I understood from Mr. Heeney's statement that the U.S.S.R. contribution to the United Nations has been increased. Did the Russians agree to that assessment or have you anything further to say?

The WITNESS: The decrease in the American assessment?

Mr. STICK: The decrease in the American assessment and the increase in the U.S.S.R. assessment?

The WITNESS: They fought it very hard in committee in Paris. There are perhaps some members here who were in Paris and who would know more about it than I do. I am not fully aware of the details but the Soviet Union took the usual line that their contribution was as large as it should be and that the American contribution should not be decreased; but they were overborne by the majority and in due course accepted the report of the budgetary committee which effected an increase, although a modest one, in the U.S.S.R. contribution. This also decreased that of the United States.

Mr. STICK: They have agreed?

The WITNESS: Yes; they have accepted the new scale.

By Mr. Fleming:

Q. Mr. Chairman, as in other years will we be furnished with details of the estimates including the actual expenditures during the fiscal year ending March 31, 1952?—A. Yes, Mr. Chairman. The department is working on those expenditure figures now. It is a little early in April for us to have them completed but the committee may be assured that at the earliest possible time the expenditure figures will be completed and distributed.

Q. May I ask whether when that statement is being prepared for the committee, Mr. Heeney would have prepared also a statement with respect to the

use of blocked currencies, indicating the extent to which blocked currencies—say over the last two fiscal years—have been used for the benefit of this department; and the extent to which the use of blocked currencies by the department is estimated for this new fiscal year now beginning?—A. I take it that the Committee will wish to have the proposed destination of payments from blocked funds and the destination of payments already made from blocked funds?

Q. Yes, say in the two fiscal years. Is there any difficulty about that?—A. Mr. Chairman, that can be arranged, I am quite sure; and in a form which probably will satisfy the questioner. If when the statement is prepared and submitted to the committee there are further details required we can supply them.

By Mr. Coldwell:

Q. We are buying property out of blocked currencies to quite a considerable extent, from what you have said?—A. Yes, sir, and we are proposing to do that to an increasing extent.

Q. One question I was going to ask was about the property in Paris where you are rebuilding or renovating the embassy. What has happened to the furniture? I have been told that there was some very beautiful furniture in the building. Are you retaining that or what are you doing with it?—A. Mr. Chairman, when this property for the ambassador's residence was purchased it did contain a good deal of furniture, some of which was almost in a class of antiquity and very valuable. We obtained a price from the owner, Madame de la Rochefoucauld, but the prices were very high. I think we may have been able to obtain some small amounts of it—

Q. But you did not obtain it all?—A. No.

Q. I thought the whole thing was bought together?—A. No, we found or thought that it was not efficient to buy the furniture at prices which the owner asked—and which she was entitled to ask because they were genuine antiques—and we are buying our own furniture.

Q. She is selling it elsewhere?—A. Or keeping it herself.

Mr. MacDOUGALL: May I ask Mr. Heeney this question? It seems to me that running through the whole thread of this the family is increasing and increasing like that of the old lady who lived in the shoe. I would like to know who is the final judge upon whether the gentleman who is in Stockholm, for instance and who also goes to Sweden—

Mr. LESAGE: Finland.

Mr. MacDOUGALL: Finland—whether or not it is necessary that further consular service be established in Helsinki rather than having the work done by that one man. The work continues to spread and spread and to increase and increase and eventually, in my opinion, there is going to be a terrific increase in all the various services in the various countries in which we are now represented, possibly by a man who is acting in a dual capacity. Who is to judge whether or not, on the spur of the moment, it is necessary for the man in Stockholm to have additional assistance by virtue of the establishment of an office in Helsinki?

The WITNESS: Mr. Chairman, these things are not done "on the spur of the moment" I should say first of all. Very far from it. The establishment of a new post is examined in terms of need; in terms of the amount of Canadian business that requires to be done. An attempt is made within the department in the first instance to assess that need against expenditure in terms of men—because we are short of qualified men—as well as in terms of money. That assessment then comes up through the under secretary to the Minister of External Affairs himself. He examines the proposal in relation to

other requirements and demands—because it is rarely that a single proposal comes up in such a way, it has to be related to other requirements. There are numbers of countries who are demanding and have demanded over the past ten years that Canada be represented in their capitals. It is a question, first of all, whether or not the new post should be established, and secondly if a new post is possible in terms of money. Then, where is the greatest need?

The minister examines the assessments which are put before him after their examination in the department, and he comes to a decision as to what recommendation to make. He then takes it to the Cabinet and the Cabinet decides whether or not post "A" or post "B" or post "C" or all three require to be opened. According to their decision submissions are made to Treasury Board for the appropriate establishments and then amounts appear in the estimates. The process through which we go in this field of activity, I can assure the committee, is a very careful one. That is so not only because we are trying to be efficient in our operations, not only because we do not like to ask for more money if we can avoid it, but also because from our own point of view, our own personnel point of view, we are not at all anxious with the staff at our disposal to take on new responsibilities.

Mr. MURRAY: Might I ask something about radio at this point?

The CHAIRMAN: Yes, this is a general discussion.

By Mr. Murray:

Q. International service apparently misses the Pacific countries in their broadcasts?—A. There is no provision for broadcasting shortwave to the Pacific.

Q. Do you not think some provision should be made so that from Victoria or some place on the west coast we can reach nearby points in the Pacific?—A. That is something that would, of course, involve the technical possibilities of using the present shortwave station for broadcasts to that part of the world. I do not know anything about those possibilities and I do not know whether it is possible with the existing facilities to reach areas in the far east. Not only would it be a question of establishing any additional technical facilities, which of course would involve large capital expenditures, but also there is the whole problem of providing staff, language arrangements and all the rest of it. At the moment the C.B.C. International Service provides a pretty limited scope of broadcasting, and suggestions are made that this should be increased as to language and as to area. A pretty good case can be made for extension in a number of areas. I do not know where the question or suggestion for broadcasting to the Pacific areas stands at present.

Q. Could we not cooperate with the Americans? They have a very large station at Fort Angeles in the state of Washington which beams to the far east.

Mr. COLDWELL: As far as the international station is concerned when the matter was before the Radio Committee several years we were very anxious to beam to China, for example. Dr. Frigon explained that would necessitate beaming over the pole and that it was impossible to do so from the station in Nova Scotia. If we wanted to do that we would have to build a new station on the Pacific coast.

Mr. MURRAY: It occurs to me that we are selling Canada in Europe, and beaming material over there to people who must know quite a lot about Canada—at least they are white people and people with whom we have been dealing over the years. I think that the vast population in the Pacific, a population which is now in turbulent condition, should receive something from Canada to impress upon them that we are not imperialistic, that we are not trying to grind them under our heel, and that we do not want any of their cities or any of their real estate. I think we could beam things like that to Korea, into Siberia, to the China coast, down to Malaya—

Mr. FLEMING: How many radio receiving sets would there be there?

Mr. STICK: I think we are getting into something here.

Mr. MURRAY: I will only take a moment or so but the money now being spent in Europe might be cut down and a portion spent in beaming material across the Pacific.

Mr. COTE (*Matapedia-Matane*): Is Mr. Heeney in a position to tell the committee that our consular service, for example he mentioned the organization to cope with the business in the south, will no longer be under the influence of Great Britain? Do we have absolute and direct control over our representation all over the world?

Mr. MACDOUGALL: What is the question?

Mr. LESAGE: He wants to know if we have direct control over our delegations everywhere?

Mr. COTE (*Matapedia-Matane*): I hope my question was clear. As I understand it up to date the consular business as far as we are concerned has been under the control of Great Britain.

The WITNESS: Oh, no, I am sorry if I gave that impression.

Mr. FLEMING: You did not give that impression.

The WITNESS: I wonder if I could say a word to try and clarify that matter. I am afraid my answer may have been too diffuse. The consular business of Canada is conducted entirely under the government of Canada.

Mr. MACKENZIE: In talking about properties that you have in foreign countries, I was wondering what happened to the property which you had at Nanking. I remember visiting that with Ambassador Davis in 1947. They had made rather elaborate preparations there for the Canadian headquarters? What happened to that property? My next question is: Why have we not more representatives in the far east—because that is a very vital spot in the world situation at the present time.

Mr. LESAGE: The far east or the near east?

Mr. MACKENZIE: Near east.

Mr. COLDWELL: Well the far east—Indo China—not Indo China but Indonesia—

Mr. MURRAY: Would you not call Nanking in the near east?

Mr. MACKENZIE: That was a separate question, regarding the property there.

The WITNESS: The property in Nanking is still in our ownership. We have a caretaker there as I remember it, but the position is that it is held as an asset.

By Mr. Coldwell:

Q. Coming back to the position of the consulates. I wonder if any estimate has ever been made, since evidently there has been some thought about it, of the value of the services rendered to Canada by British embassies and consulates throughout the rest of the world? They have been bearing a very considerable portion of the job apparently, but now that we are assuming it we begin to understand that it is expensive.—A. It would be difficult to put any financial value on it.

Q. It must be considerable?—A. Prior to the establishment of the Department of External Affairs the United Kingdom did all our business of that character. Since the establishment of the Department of External Affairs we have gradually assumed more and more of our consular obligations. The policy is to continue gradually to extend our own facilities to meet our needs. I think it would be almost impossible to estimate the dollar value or the sterling value of those services.

Q. What I had in mind this morning when we were given an idea of what new consulates are going to cost us, was that we must be receiving a very considerable contribution from the United Kingdom in consular services rendered to Canadians in places where we have no consul.—A. It would be difficult, Mr. Chairman to establish that. One could not say by having the British consul in Puerto Rico act for us that they had incurred expenses of X dollars because their man was there anyway and any work for us would just be a small percentage of his duties. If we were to establish an office there, on the other hand, it would be at a very considerable expense, and that is a saving in a sense that they are making for us.

Mr. QUELCH: I suppose that we make a payment to United Kingdom consulates where any additional employment has to be incurred for doing any work for us—out of pocket expenses?

The WITNESS: Oh, yes, we pay out of pocket expenses and of course they charge consular fees, which is of offsetting advantage.

The CHAIRMAN: An estimate on that score might be prepared.

Mr. COLDWELL: There is considerable Canadian consular business in Los Angeles. Have we no representative there?

The WITNESS: We have a trade commissioner in Los Angeles, Mr. Duclos. Los Angeles is a trade commissioner's office only and no consular business is performed there.

Mr. LESAGE: There is a consular office at San Francisco.

Mr. COLDWELL: Numerous Canadians passing in and out of Los Angeles have told me that there is no Canadian consul there.

Mr. MURRAY: I hear very good things of Mr. C. Norman Senior.

The WITNESS: He is the acting consul general in San Francisco.

Mr. MURRAY: They speak very highly of him—because he renders good service, I imagine.

The Chairman: Did you receive the information you desired, Mr. Murray, about radio?

Mr. MURRAY: No, I really have not but I hope the department will give it serious thought because I really feel, the way the world is changing, that those people have a lot of radio receiving apparatus now as well as broadcasting stations. I also think our representatives should be encouraged to speak over the radio in these foreign countries wherever they are to tell the facts about Canada industrially and so forth. I think they should be given authority to do that.

The WITNESS: Mr. Chairman, this question of expanding the shortwave service to the Pacific area is of course a question of policy. In some ways the suggestion that has been made is similar to other suggestions which have developed this morning with regard to the opening of new posts. This is an illustration of a point that I tried to make earlier. There are constantly competing demands upon our time, energy and funds and the decision that has to be taken, not only by the department but by the government, is to fix the proper priorities within the resources. There is a great deal in what Mr. Murray has said about the desirability of having the Canadian point of view and Canadian news brought to the attention of these people in the Asian countries. I am not in a position to say what is involved in terms of men, money, or technically. Indeed, the committee might be interested in hearing Mr. Desy on this whole question of the international shortwave activities of the Canadian Broadcasting Corporation. This shortwave broadcasting is an expensive operation and the extent that the government is prepared to go into this field has been relatively limited. I know that Mr. Desy, who has discussed these matters with me, has a great deal of pressure brought to bear upon him

with regard to broadcasts directed to other countries, I do not know the extent to which he has considered proposals with regard to the Pacific.

Mr. COTE: Is the United States not doing something in this field?

The WITNESS: Yes, the Voice of America has a very expensive series of arrangements which gird the globe.

Mr. COLDWELL: May I go back to consular work again? May I make this suggestion that where we have consuls near universities, American universities particularly, our consuls might endeavour to contact Canadian citizens in those American universities. I am thinking particularly now of the occasion a short time ago when I was in the States I met some 27 students attending university there, all of whom were anxious to make some contact with their own country. They told me that they attended occasional receptions at the British consulate but that they had no opportunity of meeting the Canadian consul, who is a very fine man. I brought the point to his attention and that lack has been remedied in that particular spot. Students are anxious to know about conditions in Canada so that when they have completed their courses in the United States they would know if any opportunities exist here. I think we are all anxious that our young Canadians come back to this country and not be lost to us. I am making that suggestion so that our consuls may be instructed along that line.

Mr. BATER: Mr. Chairman, am I right in presuming that we are getting considerable consular service assistance from Great Britain because their consular service has been more or less of long standing and we are more or less in the development stage of our consular service.

The WITNESS: Yes, Mr. Chairman, that is correct.

Mr. MacKENZIE: Mr. Heeney said something that is interesting in that they pick the most capable graduates in the graduating classes of the universities that they can find. Are they chosen by the personnel branch of External Affairs and then approved by the Civil Service Commission, or vice versa?

The WITNESS: No, the Civil Service Commission conducts the competitions. They conduct them in cooperation with the department, but the control of the competition is entirely within the commission itself, just as it is for every other department of government. They do work very closely with us. Of course, the examinations for the foreign service are rather specialized and, therefore, perhaps the personnel branch of our department may play more part in the conduct of the competitions. Nevertheless it remains a civil service examination for which the Civil Service Commission is responsible.

Mr. GRAYDON: May I follow Mr. MacKenzie's point. May I ask the deputy minister whether or not any of these university graduates who are coming into the department from any of our recognized agricultural colleges across Canada?

The WITNESS: Graduation from any recognized Canadian university in any subject is a qualification for taking the competition.

Mr. FLEMING: You mean any course? You said any subject.

The WITNESS: Any degree received from any recognized university, irrespective of the course, is the prerequisite. In the normal event, graduates in political science, in law, in history, in international relations, and subjects of that sort, are people who present themselves. That is not always the case, however, and a graduate in science is eligible to try the competition. In fact, we have a number of graduates in science. Some because of their post-graduate experience, or tastes, have adapted themselves to the kind of problems that the foreign service officer has to meet. But there is no bar and no close specific requirement in terms of courses. Graduation from a recognized university is the prerequisite.

Mr. COLDWELL: What are the age ranges?

The WITNESS: 23 to 31 for grade 1 foreign officer, and 31 to 35 for foreign officer grade 2.

Mr. FLEMING: They must be graduates of a university?

The WITNESS: Yes.

Mr. GRAYDON: I have been alarmed, and I have expressed alarm more than once in these committee meetings and on the floor of the House, that I regard our posts overseas and those who represent us there as heads of missions being in a sense show windows of Canada. In those countries no one is able to judge our people except by the persons we send as the heads of missions, and not once to my knowledge have we ever had anyone representing or being associated with what I think is still one of our greatest branches of activity, and that is agricultural Canada. Now, I am not one who believes that we should appoint our heads of missions on any occupational basis, but for the general welfare of Canada itself. Surely we have in Canada some of the most outstanding representatives of agriculture in the whole world, and yet there has not been a single country that has seen a farmer come in as head of a mission. Now, I know the government policy is to promote people from the service and that, to a large degree, I think, is both desirable and commendable, but the government has gone further and has appointed as heads of missions those who are outside the service itself, and in doing so they have not yet come to the point where a distinguished member of the agricultural vocation has ever been chosen to fill such posts in any country. I am very serious about this because I think as an ambassador moves from post to post it would be a tremendous advantage to this country to have there an outstanding agriculturist who understands the problems of the farm and is able to meet in those countries many others who are in that same line and thus advertise this country perhaps in a way no other person is capable of doing. Do not make any mistake about it—while we are following this policy of not appointing a farmer to head a mission, at the same time the farmers of Canada have their own diplomatic corps themselves; and you would be surprised in going to agricultural meetings to see that some of our Jersey breeders, our Holstein breeders, our wheat farmers and others are known in every country of the world and their names stand higher and are better known than any of the personnel of the diplomatic service. I have no desire to raise this question for any other reason than the belief that we are missing a very important opportunity so far as selling Canada to the world is concerned. It is not always a question of how good you are at diplomacy or how you can handle the technical end of a mission because you have got technical men there who understand these various methods of handling procedures perfectly. It seems to me that if we had some people abroad, a distinguished farmer if you like, who moves from place to place, it would make a tremendous impression upon the people there and would be, in a sense, a great show window of this country. There is no other industry yet which has touched agriculture so far as importance to Canada is concerned and that is why I think that is one of the things that the government ought to take into consideration now. It is not as though there were not plenty of desirable candidates because we have a dozen parliamentary agriculturists right here in this committee who are men of whom Canada could be proud to see in that position. I want to leave that as a suggestion to the committee and that is the reason I asked the deputy minister today as to whether or not those graduating from agricultural colleges were coming into the service itself. It seems to me that we must not get ourselves and this department into the position where its personnel are all post-graduates in constitutional history and international affairs; because if we do that then I think we are going to miss the point

as to what our representation abroad should really mean. I feel keenly about that and I hope the committee understands my interest in it, because I am satisfied that some change of that kind is both desirable and timely.

Mr. HEENEY: May I answer the question, Mr. Chairman, before another one is put?

Mr. MURRAY: I was just going to say this, that we should set an example by having a farmer as a prime minister and a farmer representing the constituency of Peel instead of Mr. Graydon.

Mr. GRAYDON: I came from a farm myself.

The WITNESS: The last head of mission we had in Moscow came from the honourable member's constituency; he was born there and I think he still has a farm there.

Mr. GRAYDON: A good man.

The WITNESS: There are, perhaps, some observations which I might usefully make as a civil servant upon one or two of the aspects of the matter Mr. Graydon has raised. In the first place I would not wish the committee to think that the interests of Canadian agriculture are neglected within the department itself. Nor would I like the committee to be left with the impression that we are all graduates in diplomacy and constitutional law. There are twelve missions in which we have members of the staff who are specialists in agriculture. There are twelve agricultural attaches at twelve of our principal missions whose duties are those to which Mr. Graydon has drawn attention as being of importance. Perhaps the other observation I could usefully make with reference to heads of mission. Heads of missions are appointed by government and Mr. Graydon is making this suggestion for the attention of the government. But I do not think, so far as the government is concerned, that we could be charged with neglecting this important phase of Canadian life. As he has said, it is very important not only that heads of missions but also that officers of missions—and it is for those that I am responsible, not for the heads of missions—should be aware of this phase of Canada's life as well as other phases of Canadian life.

Mr. COLDWELL: I would like to point out that Mr. E. J. Garland in Oslo was an Alberta farmer, an outstanding member of the Alberta farmers' organization for some years. I agree with Mr. Graydon, though.

Mr. STICK: I think we will have to get the fishing industry in here, too.

Mr. MURRAY: Mr. MacKenzie represented us well in China.

Mr. LESAGE: I would not like Mr. Graydon to be left with the impression that the foreign service officers and all personnel in the department are only those learned in diplomacy and international law or constitutional law. The economic division, for instance, of the department is a very important section of the department and assuredly the question of disposing of our agricultural surpluses is worked out there in cooperation with the Department of Trade and Commerce. Am I right in this, Mr. Heeney?

The WITNESS: That is right.

Mr. GRAYDON: I am glad to have that comment, I still think that in the minds of everyone in the committee the suggestion I made must have some merit in it.

Mr. FLEMING: Just before we rise, Mr. Chairman, there are a couple of things I would like to put on record in the way of a request for statements. In connection with the statement I asked for in regard to blocked currencies, I wonder if we could have a statement also of the amount of blocked currency available to Canada in other countries. That may not be in the knowledge of this department, but perhaps we could get that from the Department of Finance. I want to get an up to date statement on it.

The WITNESS: We can have that.

Mr. FLEMING: Could we have prepared for submission to this committee sometime a statement with regard to UNICEF: what has been the relationship of this government to that work and its associated agencies and something with regard to the accomplishments of it and the financial side of it?

The WITNESS: We will be very glad to furnish that.

Mr. GRAYDON: Could I ask Mr. Heeney one thing? Some reference was made in the committee this morning about the abbreviated initial program that seems to have crept into the United Nations, into NATO and everything else. I am quite sure that one of these days we will find the Deputy Under Secretary of State for External Affairs referred to as DUSEA. It has got to the point now that initials to the public have become so confusing that nobody has the slightest idea what people are talking about when the initials are given. I met a person the other day who asked me what this SHAPE was in Europe, and I imagine if that is the case of a person who follows such things closely, as he does, these abbreviations must be confusing to others. These abbreviations in the first place were made for the purpose of simplifying things, but they have now got to the place where they confuse everybody. I had to ask the parliamentary assistant today what TTC was. That is a situation that I think ought to be taken up in international affairs and even if we could just have some kind of short descriptive title without going into all these initials, it would help some. Surely the people are entitled to something more than a lot of initials that mean nothing to them. It is about time we changed this so that the public will understand what body we are referring to.

Mr. FLEMING: Has the department got on record anywhere a sort of statement of assets in relation to our properties abroad?

The WITNESS: Yes, we have that information.

Mr. FLEMING: Could we have that brought down?

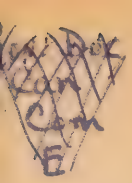
The CHAIRMAN: Yes.

It is agreed that we meet on Tuesday at 4 p.m., and that this afternoon we will present our first report to the House.

Agreed.

I want to thank Mr. Heeney for his fine presentation and to say that his answers to questions will undoubtedly simplify the discussion of the different items when we come to them later.

The committee adjourned.



HOUSE OF COMMONS

Sixth Session—Twenty-first Parliament, 1952

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. BRADETTE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

TUESDAY, APRIL 8, 1952

ITEM 85

Main Estimates of the Department of External Affairs—Departmental Administration.

WITNESS:

Mr. A. D. P. Heeney, Q.C., Under-Secretary of State for External Affairs.

MINUTES OF PROCEEDINGS

Tuesday, April 8, 1952.

The Standing Committee on External Affairs met at 4.00 o'clock p.m. this day. The Chairman, Mr. Joseph A. Bradette, presided.

Members present: Messrs. Bradette, Coldwell, Croll, Decore, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac-St. Jean*), Gauthier (*Portneuf*), Graydon, Higgins, Jutras, Kirk (*Digby-Yarmouth*), MacDougall, MacKenzie, MacNaughton, McCusker, Quelch, Richard (*Ottawa East*), Riley, Robinson. 21

In attendance: Mr. A. D. P. Heeney, Q.C., Under-Secretary of State for External Affairs and Mr. H. O. Moran, Asst. Under-Secretary of State for External Affairs.

The Chairman announced that the following Members have been chosen to serve with him on the Agenda and Procedure Sub-Committee: Messrs. Côté (*Matapedia-Matane*), Decore, Graydon, Lesage, Coldwell, Jutras, Quelch, Riley.

Item no. 85—Estimates of the Department of External Affairs, was further considered.

Mr. Heeney read into the record a list of the Canadian Diplomatic and Trade Missions abroad, together with answers to questions asked at the previous meeting.

The witness was further questioned, thanked by the Chairman, and retired.

At 5.45 o'clock p.m. the Committee adjourned to the call of the Chair.

E. W. INNES

Clerk of the Committee

EVIDENCE

April 8, 1952.

4 p.m.

The CHAIRMAN: Gentlemen, we can now call our meeting to order.

I was asked to assume the responsibility of appointing an agenda committee and I have chosen the following member hoping that they will accept that responsibility: Mr. Cote (Matapedia-Matane), Mr. Decore, Mr. Graydon, Mr. Lesage, Mr. Coldwell, Mr. Jutras, Mr. Quelch—and I left the name of Mr. Leger. Mr. Leger wanted to be left out but he has been very helpful on the agenda committee and I hope we will prevail upon him later on to come in with us.

At our meeting today our only witness will be Mr. Heeney. I hope it will be possible to complete our work before the budget speech is delivered in the House of Commons sometime this evening. My understanding is that was our intention so we will now proceed with Mr. Heeney.

Mr. A. D. P. Heeney, Under Secretary of State for External Affairs, called:

Mr. COLDWELL: Mr. Chairman, before Mr. Heeney proceeds I would like to ask a question about reports. I notice in the British House the various delegates of the United Nations submit sub-reports with very complete details. As a matter of fact, I had one of those on my desk to bring down to the committee but I forgot to bring it down with me. These reports are very factual in form, outlining what the delegation did, and so on. They are in the form of mimeographed copies of meetings of NATO, UNESCO, and such organizations. Each of these delegations make a separate report which indicates very clearly what they did, what they discussed, and the various attitudes they took on a matter. I think that if we could get something of that sort it might be a little more than we are getting now in Canada from the United Nations or from The Department of External Affairs.

The WITNESS: Each delegation which is sent to a conference from Ottawa must make a report of the character to which Mr. Coldwell has just referred; they make that report to the minister or to the government on their return. Those reports are detailed reports. Hitherto I think, with some exceptions, it has not been the practice to include the whole of these reports in the annual report of the department; and, indeed, the intent has been, in this departmental report and in the companion volume, Canada and the United Nations, to bring together the aspects of all the reports which appear to us to be of most general interest. It would, of course, be expensive if we were to attempt to print all, or even a large part of individual delegation reports; however, information on any particular delegation could quite readily be obtained.

Mr. COLDWELL: Could one get a copy of the reports submitted by the delegation to UNESCO?

The WITNESS: Mr. Chairman, these reports are confidential reports but I think that—I speak subject to consideration by the minister on report that might be asked for—but I see no reason why they should not be shown to individual members of the committee; in fact, I think it might be a useful thing. Some of them, I must warn you, are very detailed.

The CHAIRMAN: Before we proceed I should like to make this small request, one that has nothing personal in it so far as I am concerned; but I would ask members of the committee to address the chair because it would coordinate our deliberation a little better and give a little chance for our reporters to get everything down that is said. I would ask members to speak slowly, if they can do that—I have been doing that myself—and as clearly as they possibly can, I believe it will help the reporters very materially. They are in a difficult position, particularly when two or three members are speaking at the same time.

The WITNESS: Mr. Chairman, might I answer a question which I think I omitted to answer when it was brought up at the last meeting. It had to do with the Near East. I am afraid that I neglected or forgot to answer one part of the question that was put by one member of the committee, I think it was Mr. Gauthier (Portneuf), who drew attention to the fact that there was little or no Canadian diplomatic representation in the Near East, and then he got off onto something else and I am afraid I overlooked the enquiry in that particular. It is true that between Ankara and Karachi there is no Canadian diplomatic representation. We are conscious of this gap in the department. It is one of a number of gaps that a department which attempts to bring together information upon world-wide problems must be conscious of. We are also conscious of the fact that the Near East since the war and in the past year particularly, has become a very important part of the world, affecting Canada as well as other parts of the world. Again, I should like to refer to the difficulties that a relatively small department has in respect to priorities in representational matters. I indicated to the committee at the last meeting that there were a good many demands upon us. By demands I mean requests from other countries that we should exchange diplomatic missions with them; and these requests, many of them of long standing, come from various parts of the world, more particularly from Latin America where I think most Canadians feel that we would like to extend our representation within our resources of money and man-power, very largely perhaps for commercial reasons. There are gaps in our representation there. Venezuela and Colombia are both countries with which we have large commercial arrangements and relationships. Uruguay is a country which maintains a legation in Ottawa and has done so for some time and we hope that it will not be long before we shall be able to reciprocate. Indonesia is a country in an area of great importance to everybody and we are not represented there. And so I might give to the committee a great number of examples, including examples in the Near and Middle East. But it is only possible to move forward slowly. We have been moving forward slowly in this matter of attempting to give the right weight to these various demands, having in mind not only the matter of political reporting and intelligence but also the very important commercial possibilities with the countries in question and the extent of our consular and other affairs.

I think, Mr. Chairman, it might be useful to the committee in their discussions if I were to give two or three figures on our development in numbers of offices and missions over the past ten years, and perhaps remind the committee of the numbers of personnel that we have to accomplish the various responsibilities which are forced upon us in these various parts of the world. If that is agreeable I might do that briefly as a kind of framework if the committee wishes to discuss further this question of our representation or lack of representation at different points.

The CHAIRMAN: Is that agreed?

Agreed.

THE WITNESS: At the present time, that is in 1951, there are 49 offices, under the administration of the Department of External Affairs. I should add, perhaps in parenthesis, that in addition to the 49 posts there are 11 where we are represented by trade commissioners only. Now, of these 49, not all are diplomatic missions. There are 17 embassies, 10 legations, 6 high commissioners offices, one military mission in Berlin, one so-called liaison mission in Tokyo—perhaps I should not at this point go into the relations of this country with Japan.

By Mr. Graydon:

Q. By the way, Mr. Heeney, what happened to that very magnificent embassy building which we have in Tokyo? Is that now occupied by any other government, or is it occupied only by Canada?—**A.** We are occupying it, as we have since the occupation of Japan by the allied forces; the same building which was built originally for the Canadian legation when the first Canadian minister was named to Japan.

Q. Have we had some guest in there besides our own Canadian people since the war?—**A.** I am not quite sure, Mr. Chairman, to what Mr. Graydon refers.

Q. I understand that personnel of other countries were housed in there, particularly during the far eastern war trials, and on some other occasions. I do not know whether we occupied it all the time ourselves.—**A.** There may have been other allied personnel in there from the time of the invasion, for some brief period. I do not know about that, I am afraid; but at the present time, the legation premises are now entirely occupied by Canadian personnel.

We have one liaison man in Tokyo; six consuls-general; five consuls, two United Nations delegations; that is to say, one in New York at the headquarters of the United Nations, and a small office in Geneva which is really a liaison office with the other offices of the United Nations.

MR. HIGGINS: What is the difference between a consul and a consul-general?

THE WITNESS: Well, Mr. Chairman, that is rather an esoteric difference. I suppose a consul-general is a big consul, has a large area under his command, and is perhaps rather like an archbishop to a bishop. He will have several consuls on his own staff. He may have a large area within his diocese. One office in Paris accredited to the Organization for European Economic Cooperation. That will be absorbed by the NATO delegation very shortly so the latter will not add to the number of offices. Then, as I said, we have 11 trade commissioner offices in countries where we are not represented diplomatically. That makes a total of 60, of which 49 are under the jurisdiction of our department.

Now, Mr. Chairman, I should like to make a comparison, which I think would be of interest to the committee, of that total with what we had in 1941. In 1941, two years after the war began, the Department of External Affairs had abroad 14 offices. I was interested in getting the figures of the numbers of offices and other employees who had to do with the administration of those offices, as well as of the headquarters at home, and the committee may also be interested. In 1941 we had a total of 392 employees of whom 41 were locally employed—that is to say, were not regular civil servants.

In 1951 we had 1,353 employees for 49 offices. The committee may be relieved to know that that figure of 1,353 is only 3 more than it was the year before, when it was 1,350; and only 100 more than it was in 1949. It was between 1947 and 1951 that the establishment of the department moved above the 1,000 figure; and it was since the war, of course, that the larger number of these diplomatic offices were established.

By Mr. Coldwell:

Q. I wanted to ask you, Mr. Heeney, how many of these are in South America?—A. You mean, in South and central America?

Q. South and central America, yes.—A. There are seven offices altogether in Latin America. You can go down—Cuba, Mexico, Caracas where we have a consul-general. We have an ambassador in Peru and Chile.

By Mr. Fraser:

Q. Does the Ambassador in Chile also take care of Equador?—A. No, he is only accredited to Chile.

Q. Just to Chile. —A. Yes, sir.

To go back up the east coast there is an embassy in Argentina and in Brazil we have an embassy of course. That completes the seven.

Mr. COLDWELL: You mentioned that we should have more in South America. I was considering, in order of preference, if Indonesia would not rank very highly in view of the potential wealth of that country, and in view of the fact that it may become a very important nation in that part of the world. It might be a good trading country for us to be associated with as it develops?

The WITNESS: It is a very rich country, potentially. It is difficult to balance considerations between two countries, or cities of countries, or areas of the world. I would agree with what Mr. Coldwell has said about the potentialities of Indonesia. It has very great potential importance commercially and, of course, it is of great interest from the international or political point of view. On the other hand there is a strong case for Venezuela and Colombia, particularly from the commercial point of view. I think it is true that with Venezuela we have a larger total trade than with any other Latin American country, and Colombia is not very far behind. Those are the decisions which are very hard to make and, as we are by no means unlimited in resources—human and material—we usually prefer to make haste slowly. We try to give advice as soundly as we can to those who make decisions.

By Mr. Macnaughton:

Q. Is there any clear distinction between offices of trade commissioners and the Department of External Affairs?—A. Mr. Chairman, where there are offices of the Department of External Affairs and trade commissioners as well, the offices are for all practical purposes combined. The trade commissioners then become members of embassies or legations or high commissioner's offices as the case may be, and carry the designation "commercial secretary" or "commercial counsellor". Where they are located in cities where we have no diplomatic mission, they then of course operate more independently; but, in fact if not always in law, the unity of the two departments abroad is very satisfactory.

Q. I was just wondering whether the figure you have given should not be expanded, for example, to include the trade commissioner's office in Paris? Would that not increase the total?—A. I was really regarding our Paris mission as one. It is true that the trade commissioner's office is on Rue Scribe and the embassy is on Avenue Foch, but the trade commissioners in Paris on Rue Scribe act in fact as commercial officers of the embassy.

Mr. MACDOUGALL: I was wondering whether the deputy minister would care to express an opinion with respect to the situation which is apparently prevalent and more or less raging in Tunisia? Is the unrest in Tunisia liable, in the opinion of the department, to spread? Or, is there a possibility that it may be amicably settled in the near future?

The WITNESS: Well, Mr. Chairman, that is, I am afraid, not related to the administration of the department and it is a question which I would prefer to

have addressed to the Minister. I think that all that would be proper for me to say is that it is quite clearly a very serious situation, not only because of local manifestations but because of the influence it has on the differences which have arisen between the Asian and Arab members of the United Nations on the one hand and the western countries on the other. I would not care to express an opinion categorically in answer to the member's question. I think that when the minister comes before the committee perhaps he will do so; it touches pretty closely on policy, something on which I am not supposed to express an opinion.

By Mr. McCusker:

Q. When selecting new countries in which to open either trade commissioners' offices or embassies which do we pay most importance to: our possibilities for trade, or the political possibilities?—A. Well, Mr. Chairman, I would answer that to neither do we pay more importance. We try to give due weight to both sets of considerations. Now, on the political side one consideration might be, for example, the relationship between commonwealth countries. Clearly it would be wrong to estimate the necessity or desirability of establishing in a commonwealth country purely in terms of balance of trade or trade figures. That kind of consideration which I class broadly as a political consideration must play a pretty important part in decisions that are taken by the government. On the other hand, I think it is true to say that commercial considerations and the desirability of expanding Canadian exports and providing alternative markets for Canadian produce is playing a larger and larger part, as I think it should, in the advice which is given by the department with regard to the establishment of new posts.

Q. I have one additional question following upon that. When, as we have in Havana, an embassy and a trade commissioner, the trade commissioner reports through the embassy to the External Affairs Department. Am I correct in that? It is under the administration of External Affairs, and the office is administered by the External Affairs Department?—A. Yes, Mr. Chairman, in that last particular the member is correct. It is not true, however, that trade commissioners in diplomatic missions report only through or to the Department of External Affairs. We do not seek to channel their reports too rigidly through the head of mission, although the head of mission would be aware of what is being reported. I would put it this way: if the commercial secretary in Havana were to be writing upon the general commercial policy of the government of Cuba, a despatch of that character I would think should more properly be sent by the ambassador—sent forward to the Department of External Affairs and then distributed to departments of the government including Trade and Commerce who are interested in matters of policy. If, on the other hand, the commercial man were reporting in some detail regarding sugar, for instance, I think the appropriate course would be for him to address his despatch or report to the deputy minister of Trade and Commerce and send a copy of it to the head of mission. I think that satisfies both the proprieties and the practicalities.

Q. My last question is this: If you have an embassy you are responsible for the administration of the embassy. Where you have a trade commissioner's office alone are you responsible for the administration of that office as well?—A. No, Mr. Chairman. Where the office is a trade commissioner's office only that is still the responsibility of the Department of Trade and Commerce. They may be doing some consular business for us but they will carry on the administration, they will provide the funds and personnel, and they will perform those services for us simply as a matter of co-operation.

The CHAIRMAN: Mr. Fraser is next.

By Mr. Fraser:

Q. Mr. Chairman, I was just going to say that in Brazil you have increased your offices have you not?—A. I am not sure, Mr. Chairman, whether Mr. Fraser means in physical terms or in terms of personnel?

Q. In terms of personnel and physically?—A. I am informed, Mr. Chairman, that the personnel at the embassy in Rio under the head of mission consists of two officers from the Department of External Affairs, and two trade commissioners—the same as it has been as long as I can remember.

Q. I understand that you put another office up in the interior?—A. In Sao Paulo there are two trade commissioners who do consular work and we have recently provided a consul clerk to assist them in the despatch of their duties.

Q. Have you a consul at Santos?—A. No, Mr. Chairman.

The CHAIRMAN: Mr. Macnaughton.

Mr. MACNAUGHTON: Does the witness think the time has arrived when External Affairs should take over the trade commissioners and include them in their department from the point of view of policy, administration, and generally speaking for the good of the country and economy?

Mr. HIGGINS: Ask Mr. Howe?

The WITNESS: That suggestion has been canvassed from time to time both from within the Department of External Affairs and the Department of Trade and Commerce. It has been spoken of. I am afraid that to answer the question would require a degree of diplomatic skill of which I am not capable.

Mr. HIGGINS: There were a couple of statements made by Mr. Heeney which did not seem to jibe with me. He started off by saying there were no representatives between Ankara and Karachi and I got the impression that he was rather sorry that situation existed. Then, unless I misunderstood him, I think that later he said the department had not increased by any more than 3 officers from 1950 to 1951. What I am trying to get at is whether it is the intention of the department to economize by not filling these offices or is it because they cannot get personnel?

The WITNESS: Mr. Chairman, if I gave the impression in making the statement that we had no representatives between Ankara and Karachi and that I was sorry we had no such offices, then I think that was the impression I intended to convey. From the point of view of the professional diplomat, the personnel in a foreign office, the lack of information from important areas of the world must always leave a sense of vacancy. I am sorry that we in the Department of External Affairs are unable to draw directly our information from that important area. On the other hand, I am quite aware of the fact that it is necessary, and indeed it is the policy of the government—which determines all our actions in these matters—and it is necessary from the administrative point of view, having in mind all of the conditions under which we operate, to make haste slowly; to develop the Canadian foreign service having in mind the necessary limitations of both men and money.

As far as men are concerned, each year we do add modestly to our numbers, or in most years we do, and we do so in the manner I described to the committee the other day—by competition.

There are large numbers of young men offering for those positions but a department which operates offices abroad cannot be composed entirely of young and inexperienced officers. It is not possible, in my opinion, from the administrative point of view—irrespective of what government policy would be—to move forward too quickly without a consideration loss of efficiency.

Mr. COLDWELL: I suppose in those areas you do get reports from the United Kingdom authorities. There is constant consultation regarding the difficulties that arise—consultation between the United Kingdom and Canada through

the foreign office and the Department of External Affairs—and I presume you do get vital information from those areas through the United Kingdom?

The WITNESS: Yes, Mr. Chairman. The United Kingdom in this, as in other ways to which I have drawn the committee's attention, are most cooperative and most helpful. Through our mission in London, Canada House, as well as through our embassy in Washington and at other posts where we are both established, we do have the advantage of a great deal of information which comes to the United Kingdom through their much wider network of posts. We are also indebted to the United States in much the same way for the information and assistance that we get from Washington in this matter which it would be very difficult to do without.

Mr. HIGGINS: Might I ask this one question: is there a normal period of apprenticeship before people are appointed to those posts?

The WITNESS: Yes. In the first place, there is a probationary year. After a candidate has been successful in a competition and has been appointed to the department as a Foreign Service Officer, Grade I, or sometimes a Foreign Service Officer, Grade II, if he comes in at a higher level, he has a year of probation and at the end of that year, if he proves to have been successful in his first year of operation—and reports, you know come in from the heads of the divisions for which he works—he is then confirmed in his position and he becomes a member of the foreign service.

Mr. GRAYDON: Might I ask the Deputy Minister what steps, administratively, are being taken to carry out the recent decision made so far as NATO is concerned, and especially relating to Canada, with respect to the travelling of Soviet Embassy Officials in our country?

The WITNESS: Mr. Chairman, I think it is well known, as Mr. Graydon suggested, that this matter was discussed in the NATO council but there was, as I recollect, no decision. Decisions were taken by a number of countries within the alliance to place certain restrictions on the movement of Soviet diplomats, and Canada was one of those countries.

Mr. COLDWELL: Similar to those imposed on our diplomats in Moscow?

The WITNESS: Yes, Mr. Chairman.

By Mr. Graydon:

Q. What machinery do you employ to see that this is carried out?—A. I wonder if I could ask if I might speak to the member privately on this particular subject, Mr. Chairman?

The CHAIRMAN: Do you want a full answer, Mr. Graydon?

By Mr. Graydon:

Q. Well, Mr. Chairman, I have to bow to the deputy minister's wishes on this matter because I do not want to have something get into the record which should not go in; but what I had in mind was this: presumably there was some machinery which was not very secret because it was communicated to the Soviet Embassy, and for that reason I fancy it would not be too secret so far as we are concerned. Suppose some person in the Soviet Embassy wanted to take a trip to Winnipeg, what would he have to do?—A. There is nothing secret about the regulations which have been promulgated.

Q. I wanted to get the regulations that surround this policy.—A. I had another impression of what Mr. Graydon had asked, Mr. Chairman. The regulations themselves have been communicated to the Soviet Embassy and they have been told that before any member of the staff of the Soviet Embassy goes beyond a certain distance—

Mr. MACDOUGALL: 25 miles, I think.

The WITNESS: Yes, 25 miles, he must give notice of where he is going, who is going, and for what purpose, to the Department of External Affairs. I might perhaps go a little bit more into detail in answer to Mr. Graydon's question.

By Mr. Graydon:

Q. Yes, I would like you to do so.—A. On September 30, 1948, the Soviet Ministry of Foreign Affairs addressed a note to all diplomatic missions in Moscow—this is going back to the origin of it—and enclosed a list of places which the staff members of missions and foreign members of their household were not allowed to visit.

A further note of January 15, 1952, communicated substantial additions to the list of prohibited areas. In effect, the present situation is that our embassy staff members are limited to 5 cities, Moscow, Leningrad, Stalingrad, Tiflis, and Odessa, and to a zone of 40 kilometers in radius from Moscow.

Even, in this small area around Moscow there are about 20 additional prohibited areas. Some of them begin right at the city limits.

Any trip to one of the permitted places beyond the 40 kilometer radius from Moscow must be notified to the Ministry of Foreign Affairs in writing by the embassy before the trip is taken. This notification must include such details as the date of departure and return,—and the full details of the proposed itinerary when absent from Moscow. Normally the ministry does not answer these communications; but if the journey is approved, the traveller finds that he is able to buy the necessary train ticket or other tickets from Intourist.

On many occasions members of the staff in Moscow have been unable to make arrangements to visit places which are not included in the list of prohibited areas.

The Soviet Embassy in Ottawa has now been instructed that it must notify us when planning any trip more than 25 miles from Ottawa to be taken by any member of the staff of the embassy or any soviet member of the household of any one of the embassy staff. This notification must be received by the Department of External Affairs, or by the Department of National Defence, in the case of trips by service attaches, at least 48 hours before the proposed time of departure from Ottawa. The notification must include full details of the proposed trip.

Similar action has been taken by most other NATO countries, including the United States, the United Kingdom and France. The restrictions imposed are not identical in all countries, but take the form in most instances of a requirement that the Soviet mission concerned notify the local authorities in advance of any proposed trip beyond a short distance from the capital.

Q. May I ask as supplementary to my first question: would you consider that the restrictions we apply to their diplomatic representatives here are as restrictive as those which they apply to ours in Moscow?—A. Mr. Chairman, they are not quite so restrictive, but they are modelled upon them, except for the forbidden cities, and the forbidden areas.

Q. What class of persons representing the Russians here come within those regulations, everyone who is accredited to either trade, or journalism, or diplomacy?—A. All members of the Soviet Embassy, that is to say, all who are on the diplomatic list; that includes a commercial attache, or a commercial secretary as well as a service attache and members of their household. Mr. Graydon mentioned, Mr. Chairman, members of the press.

Q. I do not know whether they are accredited or not.—A. No, Mr. Chairman, they are not.

Q. In other words, there will be some loop-holes so far as these restrictions are concerned. What about their trade people and any other officers they may have in their department in Canada outside of Ottawa, would there not be some loop-holes in that?—A. I am not sure what Mr. Graydon means by "loop-holes". It is a fact that persons who are in any sense accredited, come within the supervision. I think it is quite complete and that it includes them and their household, for that is the intention.

Q. Is the deputy minister satisfied that the restrictions now are enough to prevent these people from going on any mischievous journeys in the country?—A. Mr. Chairman, I would rather say "forbid" than "prevent".

Mr. McCUSKER: What about former Russian nationals who may be employed by the Russian embassy at the present time and who may have taken out their citizenships and are employees of the Russian Embassy at present?

The WITNESS: Mr. Chairman, they would not be affected by these regulations.

Mr. GRAYDON: How many applications have been made so far under these regulations for these permits to go to other places?

The WITNESS: I would have to get that information, Mr. Chairman.

Mr. GRAYDON: There are some, I take it.

The WITNESS: I do not know precisely.

Mr. MACDOUGALL: Now that we are on the question of Russia—

Mr. ROBINSON: Have any applications been refused?

The WITNESS: I would have to get that information, Mr. Chairman, and I shall do so.

By Mr. MacDougall:

Q. With respect to the Iron Curtain countries, I wonder if the minister would have information; he gave it to us the other day that the Iron Curtain countries are contributing to the United Nations to the extent of 13·90 per cent, I believe. That, of course, as I understand it, has nothing to do with the humanitarian services that are being exercised by the United Nations today; and in my opinion Russia and her satellites are contributing nothing. They are making no payment. Am I right in that assumption?—A. I think, Mr. Chairman, perhaps the member is referring to the fact that there are a great number of specialized agencies of the United Nations to which the Soviet Union does not belong.

Q. Yes?—A. And that includes most if not all of what may be classified as being humanitarian agencies.

Q. And they contribute nothing to them?—A. No sir.

By Mr. Fraser:

Q. In Russia is it not true that outside of our embassies the Russians have established guard houses, as well as outside of the embassies of other countries?—A. I cannot answer that question.

Q. Well, I make the statement because of the fact that I was told by an ambassador from one of the foreign countries, that there were military police posted outside their doors at all times, in little guard houses.—A. Mr. Chairman, I think the reason I said I do not know was because I cannot of my own knowledge confirm the report. As to the statement that they are there at all times, I do know that it is a practice in many countries to place members of the local gendarmerie or police outside a foreign embassy; but that practice is not confined to the Iron Curtain countries.

Q. There were press reports the other day saying that the Iron Curtain countries closed down the power right across the line when the United States

was broadcasting to the Iron Curtain countries. Does the Soviet Union do that in connection with Canadian broadcasts, or have you any knowledge of that?—A. I have no knowledge of the particular report to which the member has referred, Mr. Chairman, but it is common knowledge that jamming operations against shortwave, intervention I suppose it would be called, is the common practice.

Q. The report was in a New York paper just last week that that was being done.

By Mr. Jutras:

Q. Coming back to the Iron Curtain countries, have their contributions increased during the last year?—A. Yes, Mr. Chairman, and the figures will appear in the printed record. I gave them at the last meeting.

Q. I had supposed that we would have the record for today but it has not been distributed yet. You did mention that their contribution was increased. I remember you mentioned last time when we were on this subject, that the 33½ clause was brought in to reduce the United States' contribution. Now, is that the scale of assessment, or are they still on the old scale of assessment?—A. Mr. Chairman, the United States' contribution was reduced having in mind the accepted principle that no country should contribute beyond 33½ per cent. They have moved some distance downward. The figures again on this are in the record or will be in the record. They have not yet accomplished the fulfilment of that principle and have not yet got down to 33½ per cent.

Q. They are not down to 33½?—A. No, sir.

Q. In the figure that they are down to now, was the per capita clause brought into the situation there along with that?—A. Yes, Mr. Chairman, the per capita element was considered in the argument in committee 5 and it was one of the considerations which was reached by those particularly who contended that the American contribution should remain above one-third.

By Mr. Croll:

Q. I was not here at the last meeting. I am just drawing on my memory. As I recall it, the iron curtain countries did not pay their contributions previously in full. Is that correct?—A. My recollection, Mr. Chairman, not always reliable, is that they are up to date now with their contributions.

Q. On the increased amount?—A. They have accepted the increased scale which was determined at Paris, but whether they have actually paid on that increased scale I cannot say.

Q. In any event, it is your recollection they do not owe anything on the previous allocations?—A. It is my recollection, which I would like to check or have someone else from the department confirm later.

Mr. FRASER: Have they paid up that 6 point something of last year?

The WITNESS: I have not the figure.

Mr. JUTRAS: Would you check this point? If I remember correctly, up till 1950 the assessment was based on a temporary assessment scale on account of conditions not being normal in most of these nations and we went along from year to year on a temporary scale of assessments, and although the 33½ allocation would work up to 1948 it never entered into the consideration, or the calculation, until this year because it did not enter into the picture until 1950. Now, if this was taken into consideration possibly they have definitely established a new scale of assessments generally.

The WITNESS: Mr. Chairman, I am not, quite frankly, fully familiar with the detailed course of these negotiations, which were long, arduous and difficult. However, it is my impression, and an officer of the department who is fully familiar with it can easily be brought before the committee on this point, that

this new scale which was established in Paris has been accepted as a firm basis of assessment on the understanding by those of us who feel that the Soviet Union's and other contributions should be increased further that it will be reviewed again.

Mr. QUELCH: I would like to know if there were any passports issued this year for Canadians to visit the trade fair in Moscow.

The WITNESS: The customary manner in which a Canadian passport is issued is for all countries. I could not say without referring to the records whether any were issued for the Soviet Union only.

Mr. CROLL: How would you know?

The WITNESS: We would not necessarily know if the Soviet Union had been visited.

Mr. QUELCH: You have to state the purpose of your visit when applying for a passport?

The WITNESS: No.

Mr. FRASER: May I ask if there is not a slip put in with your passport when you get it stating that it is not valid for countries behind the iron curtain?

The WITNESS: No, sir.

By Mr. Macnaughton:

Q. I thought there was a qualification last year on travel to Russia.—A. There was this qualification, Mr. Chairman, that those who employed their Canadian passport whether valid for all countries or not or with particular reference to the Soviet Union or countries behind the iron curtain were required to report to the Canadian Legation or Embassy in that country within a certain time after their arrival. That was an admonition to the holder of the passport.

Q. Is it possible to determine whether any Canadian business men are in attendance at the trade conference in Moscow?—A. I take it, Mr. Chairman, that Mr. Macnaughton is referring to the so-called World Economic Conference now going on in Moscow. There are five or six Canadians taking part in that meeting.

Q. Who are they?

Mr. QUELCH: They are business men.

The WITNESS: Mr. Chairman, they are of various occupations, according to our information. They have reported to the Canadian Embassy in Moscow.

Mr. HIGGINS: It is not political to say who they are?

The WITNESS: No, that is not the impression I intended to give to the committee at all. We can get the names.

Mr. QUELCH: Are there any Canadian exhibits there at all?

The WITNESS: No, sir.

Mr. MACNAUGHTON: The names of the Americans in attendance have been published. I do not see why the names of Canadians in attendance should not be published also.

The CHAIRMAN: Mr. Heeney said he would get those names.

The WITNESS: I do not think there is any objection at all. I have read them in the press, in Canadian press.

By Mr. Fournier:

Q. Are they there temporarily or are they there to stay permanently?—A. I have no knowledge of their intention as to that.

Q. Do you know if they are there with their families?—A. I have no reports that their families are with them.

Mr. HIGGINS: May I ask the witness whether it is becoming much easier to travel inside the iron curtain for people of the western world?

The WITNESS: No, Mr. Chairman, it is becoming more difficult.

Mr. CROLL: It is easier for the people who want to go there.

The WITNESS: It depends, Mr. Chairman, as Mr. Croll knows, upon the receiving country.

The CHAIRMAN: I think that Mr. Heeney should now be given an opportunity to carry on without questioning.

Mr. FRASER: Just one more question, Mr. Chairman. Mr. Heeney is going to give us some figures on the United Nations contribution figures. I wonder if at that time he would get the figures on the countries that have not paid.

The WITNESS: Yes, Mr. Chairman, we can get that quite readily.

Mr. FRASER: That is, up to 1951.

The WITNESS: Very good, sir.

I may perhaps, Mr. Chairman, refer the committee to "Canada and the United Nations" on this question of the budget and the contributions by various countries. There is a very considerable section there which I think would answer many of the questions. I am referring to "Canada and the United Nations 1950", which gives information for the whole of that year, and we will supplement that at a subsequent meeting in the sense that the committee has suggested.

Mr. HIGGINS: It is roughly on the same basis for 1951 as set out in the book for 1950.

The WITNESS: Yes, sir.

By Mr. Fleming:

Q. At the last meeting I asked Mr. Heeney for a couple of statements. Are they available?—A. I was waiting for Mr. Fleming to come to the meeting to say something about those blocked funds. All of the data which was requested is not yet compiled. I can say something about the breakdown of the proposed expenditures for this year and I shall do so in a moment. We are having prepared, however, detailed statements which will set forth the past expenditures from this source, the proposed expenditures from this source, the remainder of blocked funds available for such expenditures, and something that will take us perhaps a little longer time, the valuation of our external assets. So far as external assets are concerned, I do not know whether the member intended, Mr. Chairman, that we should attempt to evaluate the movables or whether his questions are intended, as I think they are, primarily, to speak of the immovable property, land and buildings.

Q. I had not limited it. It may be that the information is not readily available, or some estimate of it. The department, I am sure, does not carry anything like a statement of assets in the ordinary sense of the word. Perhaps Mr. Heeney could indicate how extensive an undertaking it would be to prepare complete information.—A. What I would suggest, if it meets the committee's wishes, is that we produce a statement which would give the cost, which is not always the value, as Mr. Fleming understands, of our immovables, and lay that information before the committee, and then, possibly, questioned on that, to produce something further, if that would appear to be desirable or useful. The movables include a great many things and, as Mr. Fleming has said, we do not carry assets in the normal sort of commercial way. We do not revalue inventories and so on in the normal sort of way, but all of this information is available. It is just a question of how far the committee wishes us to go in providing it with details.

Q. How difficult would it be to reckon up the cost of all these assets, including assets of all kinds? Would it be an extensive effort?—A. Quite an extensive one, yes, if we were to go back to the availability of blocked funds, and I take it that it is the assets purchased from blocked funds that Mr. Fleming has particularly in mind.

Q. Not necessarily. The inquiry as to the assets was not limited to those purchased out of blocked funds. I am just trying, Mr. Chairman, to find out at the moment how much labour this is going to impose on the department.

The CHAIRMAN: Could that information be built up from what we had last year?

The WITNESS: I would like, Mr. Chairman, if the committee will be patient with us, to see what can be done without undue effort at first, then lay this before the committee and if the committee wishes to go from there into the matter, then we could give to the committee the precise additional details they would like. We can produce something after the Easter recess, and it may be that that will be sufficient. If not, we can get the other information; we will go to the trouble to get it.

Mr. FLEMING: Thank you. I think that is sufficient for the present. But when I asked for some kind of statement of the assets acquired by the government through this department I was not dealing at that time particularly with blocked funds. That was a request for a separate statement.

The WITNESS: Our statement, then, will cover our external assets in a general sense.

Mr. McCUSKER: On the same subject. Have we suffered much from inflation in respect to blocked funds?

The WITNESS: Yes, Mr. Chairman, we have, in common with the rest of the world. These currencies which are available to us in blocked funds have, of course, depreciated over the year's since they first became available. It is a constant matter of concern to us. We do not want to rush out and buy things just because we are afraid the franc or the lira is going to be worth less next week, for in so doing we might buy something we do not need, so we have to balance the danger of devaluation of the currency against the normal practice of efficient purchasing, and we attempt to do that.

By Mr. Croll:

Q. I just got an idea. What would stop me from visiting Italy and before doing so paying \$500 to your department and you giving me liras. I could give you \$500 here in Canada and you could give me \$500 worth of liras at the exchange value.—A. In the first place it would be against the Italian foreign exchange regulations.

Q. Are you only permitted to use it for certain purposes? It is Canadian money, is it not?—A. No, Mr. Chairman, this money paid to us by the Italian government in discharge of an obligation is money which is, under their law, only usable within Italy.

Q. That is what I am talking about. I am visiting Italy, or I intend to.—A. I understand that, Mr. Chairman.

The CHAIRMAN: Order.

The WITNESS: I may say I am not an expert in foreign exchange, quite a complicated matter, but by doing a deal with Mr. Croll in this way we would be depriving the government of Italy of \$500 in Canadian money which would assist them in their balance of payments.

By Mr. Croll:

Q. You are not depriving the Italian government. I am going to Italy, or I intend to do so, and as I have said, you have money there which you cannot use, but it belongs to you, you representing the Canadian government. I am suggesting that perhaps when I pay you \$500 here you could give me the equivalent in Italy.—A. I might change my ground on that.

Q. All right, change it.—A. Let me change my ground to another way, another method. Mr. Chairman, these funds which are available to us in Italy are available to us for certain special purposes and it is our understanding with the Italian government that they will be used for those purposes and not otherwise. Mr. Croll is not one of those purposes.

By Mr. Quelch:

Q. Are those funds used in Canada or in Italy for the purchase of Italian currency, lire?—A. No, Mr. Chairman, that is not applied in Canada or in Italy for the purchase of lire. You must have a permit for such a purpose from the control board of the country in question; and they record that, of course.

By Mr. Graydon:

Q. May I ask a question now that I am back? Are the others finished now? I might ask you, Mr. Heeney: some time ago the department decided after some recommendations by this committee to take power in their hands to cancel passports to people who were going on suspicious business behind the iron curtain and I would like to know first of all how many of these passports have been cancelled and the names of the persons who originally held the passports.—A. I am not sure, Mr. Chairman, to what Mr. Graydon refers, about the government taking power to cancel the passports. The Crown has the right to cancel anyone's passport if the Crown wishes to.

Q. Perhaps I should have used the word "taken up" instead of saying "cancelled".—A. A new situation which has arisen as I explained a moment or two ago is that the Canadian government provides that anyone who uses a Canadian passport for travel to an iron curtain country is now required to report to the Canadian embassy. That is a new situation as far as I am aware.

Q. Does he have to report to the Canadian embassy in Moscow?—A. In the country behind the iron curtain to which that person travels. There is no situation of which I am aware which calls for the cancellation of passports.

Q. Have any passports been cancelled for the reason that I mentioned?—A. I would have to get that information. I haven't got it in my head, Mr. Chairman.

Q. Does the deputy minister remember if there have been any, or none?

Mr. CROLL: He says that he does not remember.

The WITNESS: I did not intend to give the impression that I did not remember, I do not know. I can get that information for you from the passport office very readily.

By Mr. Graydon:

Q. I am very anxious to have that information because it is a matter which has received considerable attention by the committee before and I welcome the government's policy of cancelling passports in certain circumstances. We haven't got much patience in this country, as I see it, with a good many people who are supposed to be Canadian citizens—and I say "supposed to be"—who roam at large behind the iron curtain and then at their leisure come back here and perform their usual functions as Canadian citizens again. I am not saying that this applies to everyone who goes there, because there must be many who go the other side of the iron curtain who would not come into the category that I am perhaps thinking about. But there are some, and I would like to see

some machinery invoked whereby they would stay behind the iron curtain once they got there because if they believe their form of life over there is better than ours, as they have from time to time proclaimed here, then it would be a good opportunity, I think—and one which they should not be denied—to indulge in that more abundant system which they espouse.—A. I think, Mr. Chairman, what Mr. Graydon is talking about is refusal to permit re-entry into Canada rather than cancellation of passports, which is not necessarily involved in this, as I understand it. Of course, control of travel into a country is within the control of the receiving country rather than, if I may use the expression as it is met with here—the sending country. A passport is primarily a document of identification. If the Soviet Union, or any of the countries to which Mr. Graydon is referring, wish to receive someone identified to them as a Canadian citizen by a Canadian passport there is nothing that the Canadian government, as I understand it, can do about that.

Q. Oh yes, there is, because when he comes back you can pick up his passport and then, of course, he would have no identification. I think finally, on investigation, it will be found that is exactly what the minister said was going to be the policy of the government in certain cases, the policy he would use.

Mr. CROLL: Mr. Graydon, do you mean to say that the minister suggested that a born Canadian who makes a trip abroad—or any Canadian citizen for that matter; let us have a born Canadian for a change—who makes a trip to Czechoslovakia—and because he made a trip there he can be refused re-entry into Canada.

Mr. GRAYDON: In certain circumstances he might be refused re-entry into Canada.

Mr. FRASER: No, take his passport away from him.

Mr. GRAYDON: He can have his passport taken away from him if his business is of a suspicious nature as some of these cases have been.

Mr. CROLL: We are not talking about passports now, we are talking about re-entry.

Mr. GRAYDON: I did not mention re-entry at all.

The WITNESS: Mr. Chairman, I mentioned re-entry because I thought there was confusion, as there was in my mind, between the cancellation of a passport and inability to return. The ability to return to Canada in a Canadian citizen is not based upon the possession of a passport.

Mr. FRASER: No, that is a right.

Mr. CROLL: It is a right, let it go at that.

The WITNESS: I raised the point because I thought it would clarify the situation.

Mr. CROLL: It does, too.

Mr. MACDOUGALL: This question Mr. Graydon is talking about was very much in the public eye back four years ago as members will recall when we had a situation where a considerable number of Yugo-Slavs left the country and went to Yugoslavia and took \$3 million worth of goods and chattels and their families with them and then eventually sought to return; not all of them, but there were a considerable number of them who did return to Canada.

Mr. FRASER: Without their chattels.

Mr. MACDOUGALL: Yes, surely, without their chattels; but some of these people had eventually return—

The CHAIRMAN: But they did not bring anything back with them.

Mr. MACDOUGALL: No, they did not bring anything back; but the only weapon the government had in their hands was to prevent their re-entry into Canada. They could be forbidden.

The WITNESS: Mr. Chairman, as I understand it, and this is a somewhat technical question, so long as Canadian citizenship exists under Canadian law the right of re-entry is inherent in the subject.

Mr. MacDOUGALL: Yes.

The WITNESS: Mr. Chairman, that particular series of cases which has just been referred to involved Canadian nationalists, some of whom under our laws, as I understand, have forfeited Canadian nationality and many have retained Canadian nationality. I cannot give you the figures now but the proportion of those who went on that particular exodus who wanted to return was only high. A great many have applied for entry into Canada.

Mr. CROLL: But the actual number who returned is very, very small I was told; not because they did not want to come back, but because they could not get back into the country.

The CHAIRMAN: I believe now, gentlemen, it would be in order for Mr. Heeney to proceed with what he had intended to state. This discussion has been very instructive and illuminating but some of the items have to be dealt with again.

By Mr. Fleming:

Q. Mr. Chairman, before we leave Yugoslavia I want to ask Mr. Heeney first as to our property set-up in Yugoslavia. I am speaking from memory but didn't he mention the last day Yugoslavia as one of the countries where we were considering the purchase of a property for our diplomatic representative?—A. No, Mr. Chairman, I do not think I said that; if I did, I withdraw it.

Q. I am only speaking from memory. I had a note on Yugoslavia here. I would like to follow it up by asking what properties you have in Yugoslavia to house our diplomatic mission there?—A. Mr. Chairman, we own no property in Belgrade. We rent our office premises. We rent the residence of the ambassador. We have only recently acquired through the good offices of the Yugoslav government a residence for our ambassador there. Hitherto the charge-d'affaires and the former ambassador had another house. The government there has a good deal of control over housing and the making available of houses to representatives of other countries, and we have finally succeeded in obtaining a residence for our ambassador there which with a good deal of renovation we now consider suitable.

Q. What procedure is involved in the acquisition of furniture and furnishings and such things for our overseas missions, our diplomatic missions? Has it been the policy to import into those countries Canadian furniture, Canadian furnishings and so on, or to purchase them locally where purchases are being made?—A. Mr. Chairman, it has been a mixed bag. As far as western Europe is concerned we have been making use of these blocked currencies; which I think the committee will agree is the right thing to do. We have been purchasing in those countries where we have funds available and where the appropriate type of equipment or furniture can be got at prices which are acceptable. It is true that some of the things which we require—electrical equipment, washing machines and that sort of thing—cannot be obtained in those countries where we have these funds. So, we have purchased them in Canada; and purchased some items from France and Italy and Holland where we have these funds available. But the policy of the department is to acquire on the spot where these things are needed and a suitable type can be secured, where we have the funds in the bank, and to supplement that where necessary from Canadian sources. That is the procedure followed, especially in Europe, where the largest problem arises. So far as other parts of the world are concerned, we have shipped from Canada in some cases and purchased locally in other cases; but, more usually, a mixture of both.

Q. I take it we are not sending abroad any more demountable houses?—

A. No occasion has arisen for that recently.

Mr. GRAYDON: We have not been able to get the demountables back from Peking?

Mr. FLEMING: Nanking.

Mr. GRAYDON: Nanking.

Mr. CROLL: We would not know where to go look for them.

The CHAIRMAN: Shall Mr. Heeney proceed?

The WITNESS: I do not know that I was going to add very much on this question of blocked funds but I thought that it might help if I were to say something about the proposed destination of the funds that we are asking this year from the blocked accounts. The proposals are that we should use this money in Paris, Italy, Japan, and in the Netherlands. The largest proportion of this proposed expenditure would be in Paris.

Mr. CROLL: Naturally.

The WITNESS: First for the renovation of the residence which was acquired last year and for its furnishings. Secondly, for the renovation of the chancery on Avenue Montaigne which was acquired last year, and for its furnishing. I do not know if the committee would be interested but the Paris situation is exceptionally difficult. Not only are prices very high—

Mr. GRAYDON: Perhaps because we are having two ambassadors there?

The WITNESS: Not only are prices very high but accommodation—appropriate accommodation, accommodation of any sort—is exceedingly scarce and there are a great many people chasing that small quantity of available accommodation. We were very fortunate in being able to find a suitable site for the chancery just before Christmas. It is more a site than anything else because it is doubtful if the building now on the property will be of any material value to the eventual structure. Our requirements for accommodation in Paris are quite heavy. Some have been mentioned this afternoon—the trade commissioners' people, as well as the people in the diplomatic mission proper, and with the development of NATO, there are all sorts of temporary requirements. For example, only recently we were asked to put up some air force people who are the beginnings of the Canadian air force division in Europe. They are now camping in the shell which is on this property bought before Christmas. However, we hope that before long this chancery will become a small modern office building which will accommodate our people efficiently.

In Italy as the committee is aware we have a property and it is proposed that some of these funds will be used for reconstructing the residence, the old villa which is on the property, into a residence for the ambassador, and for the erection of office accommodation on the same property to accommodate all Canadian departments in Rome except immigration.

By Mr. Fleming:

Q. May I just interrupt you there. What is the arrangement about immigration?—A. The site is not appropriate in the first instance for immigration.

Q. As to location?—A. As to location; and secondly, it is not desirable in most capitals, in my opinion, to have immigration offices in the same place as the commercial and diplomatic offices. That is particularly so in Rome where there are large numbers of people around all day waiting for immigration interviews or acceptances.

Mr. GRAYDON: And you should separate immigration from the commercial people?

The WITNESS: When I said commercial I meant Trade and Commerce officials in the embassy.

Mr. GRAYDON: I think that is a good idea because there was quite a bad bit of business done there a little while ago.

The WITNESS: In Japan we propose to provide some staff accommodation, and in the Netherlands we are proposing the erection of a chancery on the site which was acquired last year. Some funds are being used for furnishings in the Netherlands.

By Mr. Fleming:

Q. May I ask a question about the Netherlands before you speak about Japan? What became of that very attractive property that Canada was renting?—A. Where the chancery was?

Q. No, I am thinking about the residence?—A. We still own that, Mr. Chairman, and that residence will continue to be the residence.

Q. You are speaking simply of the chancery property?—A. Only of the chancery. The building which we rented, or part of the building which we rented in The Hague for offices purposes began to fall down and the Dutch government would not allow us to occupy it any more.

Q. The building subsided?—A. Yes, and we were able to buy a lot fairly near by upon which a small office building is to be erected.

I have not much more to say at this time.

Q. Can you say a further word about Japan and what you are contemplating in Japan?—A. We are proposing, Mr. Chairman, to erect some staff houses on the property which we hope will be acquired in the immediate vicinity of the legation. Under the particular conditions in Tokyo it is thought to be the most desirable and efficient, and in the long run economical method of looking after our secretaries and their families.

By Mr. Graydon:

Q. Is the legation in Tokyo the same building that was erected by Mr. Marler at one time, and which is regarded I think as perhaps the best of all legations in Tokyo—or at least it was? Is it the same building?—A. It is the same building.

Q. Is it still regarded as the best legation in Tokyo?—A. I have never seen it but it is said to be quite suitable for our purposes.

Mr. MACNAUGHTON: That would apply in Paris too.

By Mr. Croll:

Q. You did not give us any figures at all as to the amount likely to be spent. Is it because you have no idea of the amounts to be spent?—A. I have a very precise idea I am glad to say on this one. It is Vote No. 89 in the estimates, page 13, \$1,654,500.

Q. Whose money, ours?—A. The details are on page 164. This is all blocked funds.

By Mr. Fleming:

Q. May I have a statement, Mr. Heeney, as to the numerical strength of the staff in our diplomatic missions abroad, broken down by countries?—A. Yes, Mr. Chairman, we can provide that.

Q. With some reasonable classifications?—A. Yes, diplomatic officers, locally employed staff, and so. Certainly.

By Mr. Graydon:

Q. May I ask one thing. In the Paris situation you yourself will be going over as accredited ambassador to the NATO organization. Will you have your

offices in the new Canadian office building or will you be apart altogether from the normal diplomatic structure as far as Canada is concerned?—A. Mr. Chairman, it is not yet settled in what precise part of the general area of Paris, which is the location of the NATO headquarters, NATO is to settle. For a year ahead it will be the Palais de Chaillot, the temporary building which was set up last year for the United Nations. That will provide accommodation for the secretariat and meetings and a limited amount of office space for delegations. If the site of the organization remains in Paris proper it would, in my opinion, be a proper thing for the NATO delegation to bunk in with the embassy in the new chancery. If it settles within the metropolitan area of Paris the practical think would be to provide within the one office building for the ambassador to France and the ambassador to NATO.

Q. Will there be any confusion with respect to the two ambassadors being in Paris both on different missions but still both Canadian ambassadors?—A. I do not think so, Mr. Chairman, because the functions will be quite distinct. General Vanier is accredited to the government of France and my functions and duties will relate to the North Atlantic Council.

Mr. FLEMING: Mr. Chairman, I was going to ask Mr. Heeney a question about the strength, the numerical strength of the Russian diplomatic mission here in Ottawa, and something about the recently promulgated restrictions on travel?

Mr. GRAYDON: That has been given. We have covered that.

The CHAIRMAN: You will see that in the report.

Mr. FLEMING: That was before I came in?

The CHAIRMAN: Yes.

By Mr. Fleming:

Q. What about the numerical strength—has that been covered?—A. No, Mr. Chairman. I have not got that information under my hand.

Q. We can have it later?—A. A note will be taken of that request.

The CHAIRMAN: Are there any more questions or have you any more statements to make, Mr. Heeney?

By Mr. Quelch:

Q. There was a question brought up last year regarding Canadian representatives to NATO who are paid by Canada?—A. Yes, sir.

Q. In some cases they are paid by NATO?—A. No, sir. Only members of the NATO secretariat—that is to say the international staff—will be paid by NATO. The Canadian delegation, like any other NATO delegation will be paid by the government of Canada.

Mr. GRAYDON: Would you have, Mr. Heeney, the exact proportion of the United Nations budget paid by the three Russian countries—that is the Soviet Union itself, Byelorussia and the Ukraine? You gave figures but I am not certain that I can recall the exact total of them which would indicate the percentage which Russia proper pays to the United Nations budget?

The WITNESS: I put the figures on the record at the last meeting but I am afraid my memory has not retained them.

The CHAIRMAN: They will appear in report No. 1.

Mr. GRAYDON: Yes, I have it here. The clerk has handed me the report of the standing committee and the payments for 1952 show 9·85 per cent by the U.S.S.R.; 34 per cent by Byelorussia and the Ukraine 1·30 per cent. That would run a little over 11 per cent of the total.

I do not like to be riding this horse too often, and I have ridden it in every committee that has been sitting here and also in the United Nations delegations,

but is still remains pretty much of an international scandal the way that Russia and her two—

An Hon. MEMBER: *Satellites?*

Mr. GRAYDON: No, they are not "satellites", but this thing has come up, of course, so often. I have not the slightest bit of criticism to offer of the Canadian delegation because they have fought very hard, and I think with some little effect but not a great deal, with respect to these contributions. These contributions either mean one thing or they mean another. Either Russia is a great power or it is not. A country which can spend as much money on armed forces as Russia can, surely ought to be able to contribute at least more than three times as much as our own country with 14 million people.

I think at the next United Nations meeting we should not cease in our efforts to try to bring to an end this thoroughly absurd relationship between her contribution and what she is doing in the world field. Russia is a tremendous power, and if she is a tremendous power then why should we in Canada, or those in any other country, have to be paying Russia's way in the United Nations.

The CHAIRMAN: Hear, hear.

By Mr. Graydon:

Q. That is what we are doing; we are paying her way in the United Nations. I do not think the taxpayers of this country or the United States should be paying the way of anybody behind the Iron Curtain at the moment. We have enough trouble paying our own way.

I realize there are many difficulties involved in it, nevertheless it seems to me this is an absurdity that should not be continued and I think that something should be done about it; because actually Russia at the present time is getting more out of the United Nations than perhaps any other country from the standpoint of propaganda. Still, she only pays about one-ninth of the cost of the facilities to furnish or spread the propaganda. I would like to see some of these nations have to pay in accordance with the amount of their armed forces, because the United Nations is supposed to be an organization for peace and I think people who are trying to disturb the peace as she is, by having armed forces of the numbers that she has, ought to pay accordingly. I hesitate to raise this question again because I know it has been repeated so often here, and I do not do it for the purpose of raising any criticism of our own United Nations delegates because I think they have done everything they reasonably can to try to make the thing more proportionate; yet the fact still remains that we are paying the way of Russia so far as the United Nations are concerned, at least to some extent.—A. I am glad that Mr. Graydon drew our attention again to the fact that the Canadian delegation has been very active in its efforts. Anyone who has been at the United Nations meetings will be particularly struck by those who have been members of committee five. And at this last session of the United Nations, the chairman of committee five was a Canadian and no delegates in the United Nations fought so hard on this issue; and although the measure of success was not very great in percentage terms, it was admitted however to be a success. I can assure the committee that the Department of External Affairs and the Canadian Delegation generally share Mr. Graydon's natural worry on this subject.

Q. Might I ask the deputy minister a final question: has there been any progress made in connection with the rank of the High Commissioners within the commonwealth? As you know, there has been some controversy in connection with them, or some discussion from time to time; and I think that a year ago, or something more than a year ago, at one of the commonwealth conferences there was a discussion as to whether or not our men who are

accredited from here to India, let us say,—whether they should be in any inferior position to a man who is sent from here, let us say, to one of our other legations outside the Commonwealth. Have the High Commissioners now a rank which is comparable to that of an Ambassador?—A. Mr. Chairman, they have precisely the same rank; they rank in every way as ambassadors; that is to say, they rank among ambassadors from their date of appointment. There is one rather small refinement, however, wherein Ottawa differs somewhat from other capitals within the commonwealth and that is with regard to the deanships. Until recently high commissioners did not proceed, when they reached the top of the heap—and I am afraid that is a rather disrespectful term to use in which to classify ambassadors; but when they reached the apex, they did not proceed to the deanship in Ottawa. But now it has been arranged by agreement between Canada and all other commonwealth countries that there should be no distinction in this respect either between high commissioners or other heads of missions.

Q. Now may I ask just one more question: do we still exchange an ambassador with nationalist China?—A. There is a representative of the government of nationalist China accredited to the Government of Canada.

Mr. FLEMING: Recognition has never been withdrawn from him as representative of that country.

The WITNESS: No. The Government of Canada recognizes the so-called nationalist government of China as the Government of China.

By Mr. Graydon:

Q. Have we any representatives or consuls or officials in Hong Kong?—A. We have a trade commissioner at Hong Kong and until recently we had a consul in Shanghai but he has now been withdrawn.

Q. Would you receive any reports from our ambassador in China as to the watchful eye he is keeping on our Canadian ships which are at Canton?—A. There have been reports received from the Canadian trade commissioner in Hong Kong to the government on such matters.

Q. Do they come through External Affairs?—A. They go to the Department of Trade and Commerce and are available to us.

Q. You have made yourself acquainted no doubt with the situation there from time to time?—A. Yes.

The CHAIRMAN: Are there any more questions?

By Mr. Quelch:

Q. Would it be possible at some future date to give us a brief summary of the work accomplished by the committee on commodity problems which was set up in 1949, and of any proposals submitted by that committee for improving the market for agricultural produce on an international scale?—

A. I am not very familiar with this subject, Mr. Quelch, and I do not know whether you have reference to the International Materials Conference in Washington or to the F.A.O.'s own operations and studies.

Q. I have reference to the committee which was set up under the F.A.O.; there is a brief reference to it in the February number of "External Affairs".—

A. We can get some information for you for at the next sittings of the committee.

The CHAIRMAN: Yes, perhaps later on.

Mr. GRAYDON: Mr. Chairman, the deputy minister will be leaving Ottawa at the end of this week to go to NATO. We had not started our examination of the details in the estimates. I take it that there will be someone from the department here who will be able from time to time to give us such information as we require, as we reach one item after another. Is that not correct?

The WITNESS: Yes, that is the intention.

The CHAIRMAN: Before we adjourn, do the members of the committee think it would be necessary to have the minister here at some subsequent meeting?

Mr. FLEMING: The minister?

The CHAIRMAN: Yes, the minister himself.

Mr. MACNAUGHTON: It is always very useful, Mr. Chairman, and at least we learn something. It might be good for both of us.

The CHAIRMAN: Then there will be notices sent out for a meeting of the agenda committee in my office on the 21st of April when we return. I would like to say that we now have a fine young man as clerk of the committee. I refer to Mr. Eric Winston Innes, who has been highly recommended by Mr. Arsenaault. I happen to have known this young man personally for a number of years and I know he will do just as fine work for us as did his predecessor, the previous clerk of the committee, Mr. Antonio Plouffe.

Mr. GRAYDON: Is he any relations to Winston Churchill?

The CHAIRMAN: He may be, because his second name is the same, Winston.

Mr. GRAYDON: It is a good name!

The CHAIRMAN: Now, gentlemen. we all realize with sadness that Mr. Heeney will be leaving the department and that we won't have his presence at this committee, so I feel that I voice the sentiments of every member of the committee when I thank Mr. Heeney most sincerely for his fine cooperation and the wonderful work he has done for this committee and we know that he will be just as successful in his new post, representing Canada at NATO.

Mr. HEENEY: Thank you very much, Mr. Chairman and members of the committee.

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HOUSE OF COMMONS

Sixth Session—Twenty-first Parliament, 1952
Education

2/15/52
4/26/52
1952
no. 3

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. BRADETTE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 3

TUESDAY, APRIL 22, 1952

ITEM 85

Main Estimates of the Department of External Affairs—Departmental
Administration.

WITNESS:

Mr. H. O. Moran, Asst. Under-Secretary of State for External Affairs.

ORDERS OF REFERENCE

FRIDAY, April 4, 1952.

Ordered,—That the said Committee be empowered to print, from day to day, 600 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence and that Standing Order 64 be suspended in relation thereto.

Ordered,—That the said Committee be granted leave to sit while the House is sitting.

Attest.

LEON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

TUESDAY, April 22, 1952.

The Standing Committee on External Affairs met at 11 o'clock a.m. this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Bater, Bradette, Coté (*Matapedia-Matane*), Diefenbaker, Fleming, Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Kirk (*Digby-Yarmouth*), Lesage, MacDougall, MacKenzie, Macnaughton, McCusker, Picard, Quelch, Richard (*Ottawa East*).

In attendance: Mr. H. D. Moran, Assistant Under-Secretary of State for External Affairs; Messrs. S. D. Hemsley and P. Molson of the Department of External Affairs.

The Chairman read a letter from the United Nations Association in Canada seeking permission to appear before the Committee.

On motion of Mr. Fleming,

Resolved,—That the Committee hear representations by the aforementioned association, at a time to be set by the Chairman.

Item No. 85—Main Estimates of the Department of External Affairs—was further considered.

Mr. Moran was called and put on the record:

1. Report of FAO Committee on Commodity Problems—*See Appendix A to this day's Evidence.*
2. Blocked currencies abroad—*see Appendix B.*
3. Purchases made from blocked funds—*see Appendix C.*
4. Capital Assets abroad—*see Appendix D.*

The witness supplied answers to questions asked at previous meetings, and the examination continuing, at 1.00 o'clock p.m. the Committee adjourned until 11.00 o'clock a.m., Thursday, April 24.

E. W. INNES,
Clerk of the Committee.

EVIDENCE

APRIL 22, 1952

11.00 a.m.

The CHAIRMAN: We will call the meeting to order and I would beg of all of you who can possibly do so to stay and try to keep a quorum at this meeting. I know it is hard for some of you to be here this morning, but as our work is important I would ask you to remain. It is impossible for the chairman to close his eyes and if at any time we lack a quorum we will have to adjourn, and we do not want to do that. Yesterday we held a meeting of the agenda committee in which I read the following letter that I received on February 29, 1952 from the United Nations Association in Canada.

Dear Mr. Bradette:

I wish to make an advance request for an opportunity for the United Nations Association to submit a brief to the External Affairs Committee of the House of Commons. I understand that your sessions are apt to become crowded but we should be most grateful if an occasion could be provided for us to make our recommendations concerning a government grant for the United Nations International Children's Emergency Fund.

I expect to be away from Ottawa between March 7 and 25 but if it proved necessary for us to appear between those dates, we could, of course, make arrangements for other representation.

We shall be most grateful for your favourable consideration of this request.

Sincerely yours,

(Sgd.) Kathleen E. Bowlby,
National Secretary.

We did not come to any decision on this request as we thought we should bring it to the attention of the whole committee. What is your pleasure on this request?

Mr. FLEMING: I think we should hear them. We have heard from the United Nations Association in previous sessions in this committee and their representations have always been helpful. Indeed, I had hoped that they would feel that they did not have to confine themselves to that one subject mentioned in the letter. We in this committee do not hear other than departmental officials to any great extent, but I think we should welcome any assistance that can be given to us by any responsible and well informed organization like the United Nations Association. I would recommend that we should hear them. The arrangement as to the time should be left to yourself, Mr. Chairman.

Mr. MACDOUGALL: Who is the lady who signed the letter?

The CHAIRMAN: She is the national secretary of the organization.

Mr. MACNAUGHTON: What is the purpose for our hearing them if we should so decide, because the letter specifically says that they would like to appear in order to induce the government to give a grant, is that not it?

The CHAIRMAN: Yes, but I suppose there would be no objection if they wanted to enlarge on anything else.

Mr. MACNAUGHTON: I thought Mr. Fleming had something in mind.

Mr. FLEMING: We have heard them on other occasions in regard to the grant made by parliament to their own society, and we have heard them, I think, too, on UNESCO work once or twice, but anything, that is within the ambit of this committee's reference to which they care to make representations I think we should encourage.

Mr. QUELCH: They are requesting to address us chiefly in connection with UNICEF?

The CHAIRMAN: That is the only request they made, but personally I would have no objection if when they come before us they bring up any subject that they wish to bring up, that is as long as it is within the ambit of the activities of this committee.

Mr. BATER: What children and what countries would benefit by this? All children of all countries, members of the United Nations, including Russia and other countries and their satellites?

Mr. FRASER: As long as they are undernourished and underprivileged.

The CHAIRMAN: What is your pleasure, gentlemen?

Mr. MACDOUGALL: Could we have a little further clarification of that, Mr. Chairman? I personally do not think that we, as Canadian representatives here, are expected by our electorate in any part of Canada to be spending the taxpayer's money on those satellites or on Russian children, because Russia is not doing it as a reciprocal proposition as far as other members of the United Nations are concerned. If this money is going to be spent behind the iron curtain, I am not so sure I am for it.

The CHAIRMAN: Of course you all know that Russia does not accept any grants of this kind, but the money is there for them to accept if they wish to.

Mr. MACDOUGALL: She will take anything she can get.

The CHAIRMAN: With the proper safeguards, the United Nations will administer that money.

Mr. FLEMING: I do not think we want to prejudge the question now. The point before us now is as to whether we hear representations from this very responsible organization, and I think we should welcome the opportunity. I do not think we need prejudge the question now. We know this particular organization has done very useful work among children in refugee areas, among the Arabs that were driven out of Palestine, and they have done excellent work, too, in Greece and elsewhere, so I do not think we want to prejudge the question now.

Mr. RICHARD: I assume that anything along this line will be brought up after our regular work ends, so why not let us go ahead with the estimates and then decide later whether we want to hear anybody at all or not.

The CHAIRMAN: If I had the power to deal with the matter, I could set a tentative date for them to come which will be after we are nearly through our own work.

Mr. RICHARD: Well, let us get through with our own work.

Mr. FRASER: Was it not decided that this was to be left for the minister when he came?

The CHAIRMAN: I have no objection.

Mr. QUELCH: I think it will look very, very strange if we refuse to hear them.

The CHAIRMAN: I believe it is within the powers of the members of this committee to decide on a question of this kind.

Mr. MACNAUGHTON: We can certainly cut them off once they start.

The CHAIRMAN: We always have the power to limit them if they go outside our reference.

Mr. FLEMING: We have never had any trouble of that kind before. This organization has been before this committee on several occasions and those who heard them would be the first to say that their representations have been helpful. I move we hear them and the date be left by arrangement between yourself and the organization, Mr. Chairman.

The CHAIRMAN: I agree with Mr. Fleming that in the past there was a time when we heard the representative from Palestine discussing a new point. There was no direct attack against the Arabs at all, but still the Arab states thought they should make some representations here, and I believe that a great deal of publicity came out of the discussion we had.

Mr. RICHARD: Why not let us postpone it until Mr. Pearson comes before us and discusses this matter and then set a date if we think we should hear them?

The CHAIRMAN: Of course the question of the date is immaterial to the extent that we could call them at any time we decide which will be toward the end of our own work.

There is a motion before the committee.

Mr. GRAYDON: I would second Mr. Fleming's motion.

The CHAIRMAN: You have heard the motion. All in favour? Against?

The motion is carried.

It will be impossible for Mr. Pearson to be here early. Perhaps he may be able to come later, but there is a cabinet meeting being held this morning. He may be able to come a little later in the morning, but that is rather difficult to say. However, we have with us Mr. Moran, who is ready to go on with a discussion of the estimates of the department of external affairs.

I called item No. 85 the other day at our first meeting. Do you want a general discussion again on that item, or do you want to go on to other items?

Mr. GRAYDON: There were some questions propounded at either the last or second last meeting of the committee to the deputy minister. One of them I have in mind particularly, and that is the information regarding the applications which have been made by those connected with the Soviet Embassy for travel in restricted areas of Canada, and I think the deputy minister at the time indicated he would give full information to the committee by way of an answer after he had checked the applications and what disposition had been made of them up to that time.

Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs, called:

The WITNESS: Yes, Mr. Chairman, I have answers to some of the questions that were asked at the two earlier meetings. My minister is disappointed that he is unable to be here this morning. As you probably know, he arrived only late last night and there was a cabinet meeting this morning at 10.30, which he expects will last till after one o'clock. He said when I spoke to him this morning that, looking at his own schedule, 11 o'clock on Thursday would be a suitable time for him, but he is most anxious to meet the convenience of the committee and whatever would be considered a suitable time for the members he would make every effort to meet.

Now, the questions that were raised at the last two meetings. I do not think they are in the exact order in which they were asked, but there was one by Mr. Quelch on what progress has been made by the FAO Committee on Commodity Problems. I felt that perhaps the easiest and most effective way of answering that question was to make available a report which was submitted by Dr. Hudson of the Department of Agriculture, who was a Canadian delegate to the last session of FAO—he has in fact been a Canadian delegate to

most of the FAO conferences—and I have a copy of the report which he submitted on this particular question of the progress of the FAO Committee on Commodity Problems, which could be made available to Mr. Quelch or put in the record, whichever is more convenient.

Mr. QUELCH: I think it should be printed in the report.

Agreed.

See Appendix "A".

The WITNESS: Mr. Fleming asked for the numerical strength and classification of personnel of each of our missions abroad. A report on this is a fairly lengthy document to type and put in the record, so we have had mimeographed copies made that can be given to all the members to avoid the retyping in the record.

The CHAIRMAN: I will ask our secretary to send some of the copies to members of the committee who are not here. These will go forward through the mail.

The WITNESS: Mr. Graydon and Mr. Croll—

By Mr. Fleming:

Q. Can I ask a question before you leave this statement? There is no attempt here at a recapitulation of the total numbers or classifications, is there? —A. This is only our staff abroad. I have the aggregate for this sheet.

Q. They would harmonize, would they not?—A. It would be my hope! I am sorry, because I see that the figures you have in your hand are dated "Strength as of April 1" and I had asked for figures on our total staff, as of the end of the fiscal year, but I see they are as of December 31. However, there will not have been any considerable changes between the 31st December and the 1st April. The totals that I will give now will be as of the 31st December, 1951.

Mr. GRAYDON: Could we not add these and get the right ones?

The WITNESS: The figures you have in your hand are as of the 1st April. The figures I am about to give, which is the total personnel strength of the department at home and abroad, will be as of December 31, 1951.

Mr. CÔTÉ: That will be a difference of six months?

The WITNESS: No, three months. There will of course have been some changes.

Mr. MACDOUGALL: This is the most up to date figure that you can have, so why go back to December 31 when we have the figure for April 1?

The WITNESS: Because it is a different type of figure Mr. Fleming is looking for. Mr. Fleming wants a recapitulation of the staff strength abroad.

Mr. CÔTÉ: Mr. Fleming is looking for a loophole!

Mr. FLEMING: Let me disabuse the mind of my friend Mr. Côté. There is no ulterior motive here, Mr. Chairman. I am simply looking at this and I see there is a comprehensive statement broken down by missions and I was looking for a total. Mr. Moran is going to give the total as closely as the relative dates of the two statements will permit.

The WITNESS: I think the insignificance of the difference which the three-month period might make is best illustrated by the fact that the sheet you have in your hands shows a total of 766 for personnel abroad, and the figure I will give you as of December 31 will total 759.

Mr. CÔTÉ: A decline?

The WITNESS: No, an increase of seven.

Mr. FLEMING: This is just like the taxes. You say that you reduced them and yet they go up.

Mr. CÔTÉ: You have to be used to our party.

The WITNESS: If you wish the overall strength figures, they are: Officers at home, 119, abroad, 134, a total of 253. Administrative staff, at home, 475, abroad, 251, a total of 726. Local employees, abroad only, 374. The total for these three columns would be: at home, 594, and abroad, 759, a total of 1,353.

The CHAIRMAN: Will that meet your requirements, Mr. Fleming?

Mr. FLEMING: Thank you.

The WITNESS: Mr. Graydon and Mr. Croll asked how many persons who left Canada in 1947 and 1948 to live in Yugoslavia have since returned here. There were approximately 2,000 Canadian residents of Yugoslav origin who returned to Yugoslavia on the S.S. *Radnick* between May, 1947 and November, 1948, and of these some 1,100 were Canadian citizens by birth or naturalization. It is estimated that of the 2,000 between 350 and 400 persons have applied to return to Canada. That figure is an estimate rather than the actual figure, because in addition to those who have in fact filed their applications there have been a number who have made inquiries or who have written in, and whose applications are understood to be in the mail or on their way.

Mr. BATER: You mentioned that a total of 1,100 Canadians by birth or naturalization left Canada for Yugoslavia. Have you a separate figure of the number who want to come back here and who were born in Canada? I mean separated as to citizenship by birth and by naturalization.

The WITNESS: I have not that figure, but it may be possible to get it.

By Mr. Richard:

Q. You say they have applied to return. How many actually have returned?

—A. Between 350 and 400 persons have applied for return.

Q. Have any returned?—A. Approximately 65.

Q. 65 have returned.

Mr. FRASER: 1,100 of them were Canadian citizens?

The WITNESS: Yes, sir.

Mr. QUELCH: I take it the main difficulty of getting back here is getting permission from the Yugoslav government rather than permission from the Canadian authorities?

The WITNESS: There is one other difficulty, and that is section 19 of the Canadian Immigration Act, which provides for the revocation of Canadian citizenship, and it is possible, when application is made by an individual to be extended facilities for return to Canada, for someone to file an objection under section 19 of the Act.

Mr. CÔTÉ: You mean to say it is a purge?

The WITNESS: I beg your pardon. I did not realize I used that word.

By Mr. Côté:

Q. You mean those 350 who had been Canadians and now want to come back here of their own free will?—A. There is a section in the Canadian Immigration Act which provides, "The Governor in Council may in his discretion order that any person other than a natural born Canadian citizen shall cease to be a Canadian citizen if upon a report from the minister he is satisfied that the said person either . . ."

Q. That is why I asked my question. Is it a purge? Has the Canadian government used that authority to say that they should go back or did they themselves ask to go back to Yugoslavia?—A. These people are in Yugoslavia.

Q. No, no. Is it a purge?—A. I am not aware of it being a purge Mr. Côté.

Mr. MACNAUGHTON: The standard procedure is that when anyone applies for citizenship papers you can go and speak to the judge and make your representations or you can file them with the minister. I do not think there is anything exceptional in that section. If any Canadian has any objection against any person who is applying for naturalization, he can file his objections with the responsible authority for consideration.

The WITNESS: And this is the section under which he does it.

By Mr. Côté:

Q. Under that section you can do it. Supposing that my word "purge" is not right. What would you call it?—A. I would have thought that it is an examination of evidence that is made possible under this section, and then a discretionary power is exercised following the study of that evidence.

Q. Well, could you coin a word instead of the word "purge"?

Mr. FLEMING: What about the marginal notes here?

The WITNESS: There are two marginal notes here, one of the marginal notes is revocation and the other is citizenship.

By Mr. MacKenzie:

Q. Supposing that a foreign born citizen did not revoke his citizenship when he took out Canadian citizenship papers, I believe he could go back to his other citizenship?—A. That is not entirely right but I hesitate speaking on a matter which is in the field of another department, Citizenship. A dual national or a person of foreign origin who has acquired Canadian citizenship can, under this section of the Act, as I understand it, have that Canadian citizenship revoked.

Q. But I am talking about a Canadian born citizen.—A. A Canadian born citizen?

Q. Yes, a Canadian born citizen that did not revoke his citizenship and who went to another country, can he come back to Canada without any application to return being made by him?

Mr. RICHARD: Unless he acquired another citizenship over there.

The CHAIRMAN: I will ask the members of the committee to address the chair. It will facilitate the work of the reporters.

By Mr. McCusker:

Q. If a Canadian born citizen acquires citizenship in another country, does his Canadian citizenship become automatically revoked?—A. No.

Q. So, a Canadian born citizen, if he takes out citizenship, say, in Russia, does not revoke his Canadian citizenship?—A. No.

Mr. MACKENZIE: And does that mean that you can be a citizen of two or three countries?

The WITNESS: Yes. There are a number of dual nationals, a large number. You found it commonly during the war. Canadian citizens of Scandinavian origin, who had acquired Canadian citizenship by naturalization, and who were in Denmark and Norway during the German occupation of those countries voluntarily revoked their Canadian citizenship in order to avoid being categorized as foreigners and put in concentration camps in those countries. You remember the problems that some of them encountered following the war in an effort to revive their Canadian citizenship? There are a number of dual nationals in all countries of the world, just as some of the Yugoslavs of whom we were speaking are dual nationals.

Mr. GRAYDON: If a man has the right to dual nationality, has he the right to multiple nationality?

Mr. QUELCH: When a foreign born person comes to Canada and when they make application for Canadian citizenship, do we insist that they revoke their foreign citizenship?

The WITNESS: Not to my knowledge.

Mr. QUELCH: In other words they are swearing allegiance to different countries? They swear allegiance to this country and to another country, and if we went to war with that country then they would, I suppose, be interned?

The WITNESS: You have the same situation with a Canadian born citizen who goes to the United States.

Mr. McCUSKER: Yes, but he loses his citizenship rights if he takes out American citizenship.

Mr. CÔTÉ: There is only one country in the world that allows its citizens to bear two citizenships, and that is France.

Mr. FLEMING: I think there is a little confusion here as between nationality and citizenship. There is nothing new about dual nationality. It is the law of many of the European countries that anybody born on their soil never loses his nationality regardless of whether he renounces his allegiance and takes out citizenship in another country. It is the same with those Yugoslavs, even those who became naturalized in Canada. They were still, under the law of Yugoslavia, Yugoslav nationals, and you can say the same thing about immigrants from many of the European countries. In the eyes of the country of birth they are just nationals of those countries even though they have become naturalized in this country, have become Canadian citizens. They are treated as nationals of that country of origin.

Mr. CÔTÉ: There is only one country in the world that does that, and that is France.

The CHAIRMAN: There are others.

Mr. FLEMING: Most of the European countries have done it and have always done it.

Mr. CÔTÉ: Once a man has left his country and has taken out citizenship elsewhere he becomes a citizen of that other country, except France. France never loses the citizenship of a natural born Frenchman.

The CHAIRMAN: I am in doubt if the present discussion is in order, because we are dealing now with a different department. Mr. Moran will go so far in giving us information, but when it comes to dealing with citizenship I believe it is for that department to give details on this subject. Next.

The WITNESS: Mr. Macnaughton had asked for the names of the Canadians attending the World Economic Conference at Moscow. The names that are known to the Department of External Affairs are Michael Myer Freeman and his wife, Mary Edith Freeman, of Toronto; Jack Cowan of Toronto; William Garth Teeple of Timmins, Ontario; Marcus Leslie Hancock, Cooksville, Ontario; Morris Miller, Montreal; Pierre Elliott Trudeau, Montreal.

Mr. FRASER: Was Mr. Endicott there?

The WITNESS: Not to my knowledge.

Mr. QUELCH: Were they delegates or just visitors?

The WITNESS: They were not delegates in the sense that any Canadian delegation was sent. This is a conference to which there was an open invitation to business men and others who wished to attend for one reason or another. This list represents Canadian business men.

The CHAIRMAN: The list you have given of representative business men shows the name of Teeple, who was a communist candidate against me in one election, and I know what kind of business he runs.

Mr. FLEMING: Has the department any information as to whether these people have returned to Canada?

The WITNESS: No, we have not. These are the people who have reported to the Canadian Embassy in Moscow, and I would expect that they will notify the Canadian Embassy when they are leaving the country, but we have had no information up to now from our embassy about their future movements.

Mr. BATER: Have these men attended this conference at their own expense?

The WITNESS: Yes, at their own expense.

Mr. FLEMING: As far as you know. You cannot say there has not been some reimbursement at Moscow.

The CHAIRMAN: Does that answer your question, Mr. Macnaughton?

Mr. MACNAUGHTON: Yes, sir.

Mr. BATER: My question was meant to ask whether any of these men has gone at the expense of the Canadian government.

The WITNESS: No, sir.

Mr. Fraser asked what members particularly of the iron curtain countries are in arrears with their contribution to the United Nations. The latest information we have from the United Nations Organization gives contributions outstanding by member states as of November 19, 1951. No iron curtain countries were in arrears on their contributions to the United Nations Organization as of that date.

The following countries are shown in that same statement as being in arrears for their 1950 assessments: Argentina, Bolivia, China, Guatemala and Syria, and of those countries only China is shown as being in arrears for assessment prior to 1950.

By Mr. Fleming:

Q. Have you the amounts, Mr. Moran? And in the case of China, the period of years?—A. We have the amounts, Mr. Fleming, but they are not readily at hand here.

Q. We could have them probably at another time. In the case of China, how far back do these arrears extend?

Mr. MACDOUGALL: They are in arrears at least as late as 1950.

The WITNESS: Before 1950 it would probably be a minimum of three years in China's case.

Mr. McCusker asked are any former Russian nationals now nationalized Canadian citizens at present employed by the Soviet Embassy. According to the list of names submitted by the Soviet Embassy, the embassy staff is composed exclusively of Soviet citizens. Occasionally the embassy employs Canadian citizens for purposes of language instruction, but they are not in the true sense employees on the staff. They are only there for temporary periods. Sometimes when a new member of the staff arrives, they will employ a Canadian at the embassy for language instruction.

Mr. Graydon asked how many applications have so far been received from the Soviet Embassy for travel outside the 25-mile limit in force under the present travel restriction arrangements, and the answer is none.

Mr. Robinson asked if any such applications had been refused, and that is answered by the answer to Mr. Graydon's question.

Mr. FRASER: May I ask a question on that information which has just been given. If any of the Russian employees or staff are leaving for Russia or one of the iron curtain countries, do they have to apply to you in that case? Would they have to have a visa?

The WITNESS: They do not have to have a Canadian visa, but there is already a procedure laid down that was notified to all foreign missions some

few years ago, and a reminder sent out about six months ago, I think, informing them that they must notify the Department of External Affairs when leaving the country, and in the case of those permanently leaving they hand back the identity card that is issued to foreign diplomats in Canada.

Mr. FRASER: And they would not be included in those who would ask permission to go outside the 25-mile radius?

The WITNESS: No, sir.

Mr. Fleming asked what amount was spent from blocked currencies abroad and what balance is remaining in the various countries. I do not know how you would wish this, would you like me to read it or put it in the record? I can read these figures to you now.

The CHAIRMAN: They are not lengthy?

Mr. COTE: Dispense.

The CHAIRMAN: That will be written into the record.

Agreed.

(See Appendix "B")

The WITNESS: Now there is a further statement to give in response to a request from Mr. Fleming.

By Mr. Fleming:

Q. Excuse me, Mr. Chairman. This statement is simply the expenditure out of blocked currency in the fiscal years 1950 to 1951. Have you the expenditure in the fiscal year just closed, 1950-52?—A. It is being typed and will be put in the record this morning with these, and the balance you will see is as of the 31st March, 1952.

Q. The further statement shows the balance on hand also, does it?—A. This shows the balance as of the 31st March, 1952.

Q. The balance on hand?—A. Yes, sir.

There was a request by Mr. Fleming for a list of the capital assets of the department abroad. It has not been easy to prepare it, principally because of the difficulties of arriving at a figure that would represent the value of the asset in 1952. I have the figures that have been prepared in the department but found that they were combination of the 1952 value of the asset in those cases where we knew it, and in other cases solely the cost price, at the time it was purchased and I felt for consistency it would perhaps be best if the list was composed entirely of the cost price. For example, residence furnishings are in some cases worth more and in some cases they are worth less than when they were purchased. In the case of real estate, in almost every instance the value today will be greater. Cuba, for example—our residence in Cuba was purchased in 1948, I believe it was, for \$77,250, and I am told that we have had offers of \$110,000 for it. So this statement will be prepared on the basis of the cost price, the amount paid for the assets.

Q. Will the statement give the date of acquisition?—A. No, but we can put that in. We have not the date of acquisition in this statement. That adds again considerably to the work. I do not think we can insert it in this form, if the date of acquisition is required, because office furnishings for example would have to be spread over three or four sheets as they will have been bought over a period of perhaps ten years.

Q. I appreciate the difficulties involved in this; we could have that statement taken on the basis on which Mr. Moran has prepared it and if there is anything further I will ask him about it.

The CHAIRMAN: If it is to be placed on the record, it perhaps could go into the record of today's meeting. It is just that it has not yet been typed.

Agreed. (See Appendix "D")

The WITNESS: Mr. Fleming asked for the purchases made from blocked funds over the past, I think he said, two years or so; for a statement of the purchases in the various currencies by fiscal years back to the fiscal year 1948-49. The residence furnishings in Denmark, the purchase of the residence in the Netherlands, and so on, and again there are sufficient copies of this statement that it can go in the record or be distributed. There are sufficient copies available for everyone. (See Appendix "C")

I think that cleans up the questions from the last meeting, Mr. Chairman.

By Mr. Picard:

Q. Before you adjourn, Mr. Chairman, there is a question I want to ask on this morning's classification of personnel abroad. I do not know if I am quite in order, but you have there in a statement of personnel in Yugoslavia, eight Canadians. Will you be in a position to tell us how many of those people speak Serbo-Croat, the main language there?—A. I am not sure that there would be any way of ascertaining that without asking the individuals. I am not aware that we in External Affairs ask such information of them when they come into the country.

Q. I am referring to Canadians serving in our embassies abroad. Eight are Canadians, seven are locals, and of the eight Canadians I would like to know how many, if any, speak Serbo-Croat.—A. I can get that. I know that Jack McCordick, who returned from Belgrade a few years ago does speak a certain amount of Serbo-Croat. The ambassador there does not. Crean speaks French, but I think that is all. The third officer, Russell McKinney, who has been in our service only two years now, I am reasonably sure, does not.

Q. The reason for my asking this is that I was there last fall and I was in touch with many of the officials of the foreign affairs department and one of them told me that either you trust everything we tell you or else you do not care very much to verify our statements, because, he said, to my knowledge, in the Canadian Embassy you have not got one person who speaks Serbo-Croat, while in the British Embassy out of 38 he said, I am quite sure 30 can speak that language. He said of course what they do, they spend the afternoon from five to six at teas and socials and they hear the people talk and they see how much we are criticised or approved, and he said I do not think that of the Canadians there is one who can do that. My point is this, I wonder if it would not be advantageous for our people abroad—I do not mean only in that particular place, I mean in most places—to have a working knowledge of the language of the country. In stressing this point, I remember very well in 1926 when I was with Mr. Lapointe, Mr. Lapointe sent me to have an interview with the head of the counsellors. Now, Dr. Skelton later saw the gentlemen, and what they were trying to do was to have a memorandum prepared towards the clarification of the possibility of Canada establishing a consular service. Well, the gentlemen after a few sentences knew evidently by my accent that I was of French origin and started to speak very beautiful French to me, and I asked if he had lived there and he said no, but all our people here must have a working knowledge of French, not that we love the French that much, but he said we want to make sure that people in our service can be of use to us. He said young men come in between the ages of 21 and 32 and we cannot expect them to speak all the languages of the countries where they may be sent. On the other hand, if they are to be of any use to us they have, after a while, to be able to do so. He said that if they have a working knowledge of French they can easily grasp another language. We give them six months notice of their being posted to such a country and they must then start learning the language of that country, and we expect that six months after their arrival there they will know the language well enough to get

along. I wonder if that practice by the British would not be good for us to try in order to establish in our service—I do not mean French especially—in sending anybody to any country. If that system was followed we could then be sure that after a few months there they could be of use to us, which they cannot be if they cannot talk the language. They can, of course, converse with top officials of the Department of Foreign Affairs in French and English, which was the case for myself when I had these interviews, where I was told either you trust us all the way or you do not care what we say because there is not one of your staff who can verify what we say, not that we have anything to hide. He said we would like you to take an interest in our daily life through a knowledge of the language of the country. That applies to all countries. I wonder if that system, which they had then in the British consular service, would not be a practical system for our own people to follow. That is a reputation the British have in all countries, that most of their staffs are quite conversant with the language of the country they are in.—A. Yes, Mr. Chairman, our department would agree entirely with what Mr. Picard has said about the usefulness of the local language for our personnel abroad. Every effort is made not only to encourage but also to assist our people in acquiring the language of the country in which they are posted. The encouragement and assistance is given in perhaps three ways. First, the individuals realize that it will help them in their work and, in turn, will be of assistance to them in their career and in their promotion in the department. Second, before our officers are sent abroad, they are given a tuition allowance of, I think it is, \$25 a month to enable them to take lessons in the language here in Ottawa, which they normally do for the period they are here after they know the country to which they are being sent, and third, when abroad they can be given a language examination which, if they pass successfully, they are then granted a language allowance which I think is something like \$15 a month additional salary, provided the language is other than French or English. Mr. Picard has, of course, picked on one of the more difficult of the world's languages, quite difficult to master. However, I think you will find that most of our people throughout Latin America are able to speak Spanish, or in the case of Brazil, Portuguese. The department does recognize the value to the personnel of the language of the country to which they are sent. One other point that it might be proper for me to mention is that as of the date of your visit there were two officers there; Mr. McKinney had been in Belgrade for a matter of weeks, and Mr. Crean who went there only in the summer of last year, a matter of months. I have no doubt that both of these officers will have a working knowledge of that language before they leave.

Q. The stenographers, too, are in that position.—A. The stenographers do not have to deal with the people at the Foreign Office to whom you were referring, and one of the reasons for locally engaged personnel on the staff is to deal with the citizens of the country who come into the office on immigration matters and so on. I am surprised that the officials in the Foreign Office did not remember McCordick,—who prior to your visit had served in Belgrade and who is fluent in the language.

Q. At that time I did not speak or ask any questions of the staff, but this Yugoslavian told me we do not need to speak the language.

The CHAIRMAN: On the matter, Mr. Moran, of the Yugoslavians who want to come back to Canada, are they allowed to bring back with them some of the fine implements and material that they took with them, as well as some of the money? From my own area, from Schumacher alone, I think they left with half a million dollars. Are they allowed, when they come back to this country, to bring back some of the assets they took from Canada when they went there?

The WITNESS: The Yugoslav government, as well as other European governments, have foreign exchange control regulations which prevent the taking out of dollars from their countries, and I suppose that would apply in Yugoslavia as it does in other countries today.

Mr. PICARD: I do not want this to be considered as a criticism of the people of Yugoslavia. As I told you, I noticed the same thing, maybe not to the same extent as to our staffs elsewhere, but I did not say a word to the local staff.

The CHAIRMAN: Shall item 85 carry?

Mr. FLEMING: Are you putting in this last statement, purchases abroad from blocked funds?

The CHAIRMAN: Yes.

The WITNESS: If I might go back I did overlook the answer to one question which was asked at an earlier meeting about the strength of the Soviet Embassy in Ottawa. I am not sure who asked that question. The diplomatic staff of the Soviet Embassy consists of 13 members, each of them married with his wife here in Ottawa, so 13 wives. On leave in the U.S.S.R. from the Ottawa embassy, three males with their wives. This is an overall total of 32. The non-diplomatic staff totals 23, of whom 17 are married with their wives here in Ottawa, for a total of 40, so that the strength of the Soviet Embassy's diplomatic and non-diplomatic staffs, including the wives of the members of the staff, is 72.

Mr. FLEMING: Is that the largest strength among the embassies in Ottawa?

The WITNESS: Oh, no. If you remove the 33 wives, you have a strength of 39. I would think that the United States Embassy certainly exceeds 40.

Mr. CÔTÉ: Are there any of these wives Canadian born?

The WITNESS: No, that was answered in my earlier statement that all personnel of the Soviet Embassy are Russians.

Mr. FRASER: Mr. Chairman, one thing those wives can be sure of is that the Canadian government will let them out of the country and will not hold them here in Canada like the Soviet Union did to the wife of one of the members of the External Affairs Department, who never got back here.

The CHAIRMAN: It is not likely that the Canadian government would do that.

The WITNESS: I can give Mr. Fleming some figures of the other embassies: United States total is 91; and that does not include, of course, wives. That is the working members of the staff.

Mr. FRASER: Would that include their military attachés and so forth?

The WITNESS: Yes, sir.

Mr. RICHARD: As well as the different offices in other parts of the country?

The WITNESS: No. This is only for Ottawa. This does not include the staff of the consulates in Montreal, Toronto, Winnipeg and places like that. France, 37; Germany, 25; Netherlands, 25; Pakistan, 23; United Kingdom, 110. Those are some of the larger ones. If there are any particular countries you would like to know about, I can give you the information.

By Mr. Fleming:

Q. This figure would include trade officials attached to the embassy in every case, would it not?—A. The trade officials, if they are attached to the embassy, the commercial secretaries and commercial counsellor.

Q. May I ask if the wives, and particularly the wives at the Russian Embassy, enjoy diplomatic privileges?—A. No not personally, they are not on the diplomatic list. Their husbands enjoy diplomatic privileges, but they are extended only to the persons whose names appear on the diplomatic list.

Q. They would enjoy no diplomatic immunity either?—A. They would as the wife of a diplomatic officer.

Q. What is their position under the law with regard to diplomatic immunity?—A. The immunity and privileges extend also, under international law, to the immediate members of an envoy's family.

Q. Are there any children involved here in the case of the Russian Embassy?—A. I believe there are no children here. There are no children shown among the non-diplomatic staff, which consists of one man working for the commercial counsellor, one single male, three single females, 15 married members with their 15 wives.

Mr. FRASER: Those women would be restricted to the 25-mile area too?

The WITNESS: Yes, sir.

By Mr. Fleming:

Q. And the children?—A. Would be restricted?

Q. Yes.—A. Yes, sir, any member of the Soviet Embassy and their families.

Q. And all members of their families?—A. Yes.

By Mr. Picard:

Q. In connection with the matter I brought up a moment ago, I wonder if it would be possible at a later date to have an idea of how far your plan for encouraging the study of foreign languages has succeeded, I mean in premiums or supplements in salaries and so on for the different embassies, whether the people on this list here speak French and the language of the country they are assigned to. It would probably be easy to show that information on this list, as to how many of them speak English, French and the local language.—A. We can very quickly give you the number of people who are receiving language allowance. There will be others who are proficient in the language but who have not yet had an opportunity of writing the language examinations. It may be a matter of writing to the embassy for that information.

Q. I would be satisfied with the information you have at the moment. Where is that examination written, and who sets it?—A. It is at the post and under the auspices of the Civil Service Commission.

The CHAIRMAN: Might there not be some prejudice created by making this information public?

The WITNESS: I would prefer not to give it in the form suggested, at least there are some advantages in not giving it by Posts, because it would, of course, identify the individual.

Mr. PICARD: If the information could be given to me privately, I do not need to have it on the record. It is only for my information.

The CHAIRMAN: Shall item 85 carry?

By Mr. Fraser:

Q. No, Mr. Chairman, I want to ask a question on that. This item is for some \$340,000 and included in that are increases in rates of pay of \$128,030. Now, under publications, department publications, they have increased by \$27,000 from \$40,000 last year to \$67,000 this year. Can you give us details of why the increases are there?—A. Yes, sir, if we are commencing the detailed discussion of these figures it might be helpful to circulate the expenditure statement we have distributed in other years.

Q. That is the detail in regard to item 85 under departmental administration, this all comes under that?

The CHAIRMAN: Gentlemen, I would appreciate it if we kept to the item we are discussing.

By Mr. Fraser:

Q. I would also like some information in regard to the increase of films, displays, broadcast advertising, etc. There is an increase there of some \$9,000.—A. These are items 9 and 10 on page 160?

Q. Yes.—A. In No. 9, the increase of \$27,000, is accounted for entirely by the inclusion of a new publication called the "Canada Leaflet". It has not yet been prepared, but it will be patterned on the "Canada From Sea To Sea" booklet, which is a more expensive publication. Because of the increasing demands on the missions particularly for information about Canada it has been decided to prepare a small booklet about Canada in cheaper form, and my recollection is that this will cost five cents each.

Q. To the individual?—A. No, this is the cost.

Q. Per copy?—A. Yes, per copy. "Canada From Sea To Sea" or the "Canada Handbook", either of them cost approximately 20 cents each.

Q. The "Canada Handbook" is put out by Trade and Commerce?—A. Yes, sir.

Q. And you buy it from the Department of Trade and Commerce?—A. That is right, but both of those publications cost about 20 cents each to prepare.

Q. When will the "Canada Leaflet" be ready?—A. It will be ready certainly during this fiscal year. We would be happy to have it sometime during the summer. It is being prepared in a number of languages. It is being produced in English, French, Spanish, Italian, Danish and German.

Q. And it is to advertise Canada?—A. Yes. It will be in fact "Canada From Sea To Sea" produced on a less expensive basis, and it can be used in places like the schools and so on where it has not been easy to supply sufficient copies of "Canada From Sea To Sea".

By Mr. Côté:

Q. Are you responsible for the publication "This is Canada"?—A. I do not think so. I do not know that publication.

Q. I think you are partly responsible for it.

By Mr. Fraser:

Q. Under films, displays, broadcasting, etc., there is an increase there of \$9,000.—A. Yes, an increase of \$9,500 over last year, and the increases are for photographs used for illustrating aspects of Canadian life and industry.

Q. Where is that distributed?—A. Abroad only.

Q. Only abroad?—A. Yes. These are sent to our missions. The information division of the department attempts to send about two photo features per month to our 30 major posts.

By Mr. Macnaughton:

Q. Who prepares these features?—A. They are prepared either by the National Film Board, or in some cases they are obtained through commercial channels.

MR. MACDOUGALL: On these pamphlets that go abroad, is there any way of checking the effectiveness of them with respect to the money involved and distribution? It seems to me, and I think it is because of the great number of publications that we receive as members, as you know we receive a terrific amount of government publications here in the House of Commons, that there is not a terrific amount of value received for the money that is spent on them. Now, if the pamphlets that are circulated abroad are on a similar basis as to value received for money spent, then it seems to me that we could question with some authority whether the expenditure is actually justified or not.

The WITNESS: Mr. Chairman, I would not like to leave the impression that these are put in the missions from where they are distributed much like a boy on a newspaper route. These publications are held in the embassies, most of which have a room set up in the form of a library where the publications are available, where there are Canadian newspapers and books on Canada, and to which the public may come to use these facilities. I think it would be fair to say that in the main publications like "Canada From Sea To Sea" are distributed only on request, and then after some inquiry as to the end use. If some school-boy comes in and seeing them thinks it would be a nice item to distribute among his classmates and asks for 40 or 50 copies, he obviously would be unable to obtain them. On the other hand, teachers frequently come in to ask for material on Canada for their classes and very often they have specific ideas about the type of material they want. Sometimes it is about Canadian agriculture. Mexico is quite fascinated by the industrial development of Canada and is constantly asking for pictures or articles about the industrial development of our country. Countries like Chile and Peru are interested in cultural developments in Canada, interested in sending their children here to schools, and there are continual demands for information about the educational facilities in Canada. So that the requests vary with the countries. The general publications like "Canada From Sea To Sea" are made available, as I said, principally in response to requests.

Mr. PICARD: I think Mr. MacDougall's statement is a bit broad. We do get a lot of things that are not so interesting, but I think Mr. Moran is right when he says we do not even supply enough abroad of the things we publish. Many of the publications from the Department of External Affairs and Trade and Commerce that go abroad are good value and good publicity for Canada abroad, and I would say that Mr. Moran's statement is not too strong because more and more a demand for them comes to the different embassies that I have visited. They say they have requests daily from important bodies of people asking for copies of the better publications, and I think the policy of the Department of External Affairs in sending abroad only those which have real value is to be commended. They are the ones who must judge which ones are more apt to be used in any country abroad. I would not like the idea to be spread that we are sending publications which we do not think are useful and therefore are sent abroad. I think the ones to be sent abroad are the ones judged by the department to be efficient for the purpose. I was told in many countries they get more requests than they can supply. I think it is good publicity when we send those pamphlets abroad even if it costs a little money.

The WITNESS: Yes, the demand far exceeds the supply in all our missions for the publication "Canada From Sea To Sea" which we are discussing at the moment. Three years' requirements were procured in 1951 with the funds at our disposal. These consisted of the English language edition, 200,000; French language edition, 100,000; Italian, 50,000. Divide those figures by three to get the annual distribution, and then by 58 for our 58 posts abroad, and you will see they are not being distributed in large numbers in any one particular place. I do not believe I have yet finished my answer to Mr. Fraser. A major portion of that increase is on the photo features; the prices charged by both the National Film Board and commercial companies have increased, and then basic stocks have been run down. These are not replenished every year, and this happens to be one of the years we are restocking the photo section. The larger vote sought is also the result of the increasing number of requests from newspapers and magazines in various countries abroad who are writing articles on Canada and ask us for illustrative photos to use.

Mr. FRASER: Do you send mats of that or do you send a photo?

The WITNESS: We send the photo.

Mr. PICARD: I for one think it is good publicity and worth the expense.

Mr. CÔTÉ: Mr. Chairman, I would like to be selfish for once. I would like to have the department send me a package of samples of their publications. Request No. 2, I am amazed at your statement, sir, that you do not even meet the requirements with regard to publications, or maybe of information. Not only should you provide that information but you should plan, if you want to make Canada known, either through films, still pictures, publications, or whatever it is, even radio broadcasts. And you stated that you did not even meet the requirements.

Well, I do not know very much with regard to publications and public information and public relations, but I do say this, if we want to make ourselves known not only do we have to meet the requirements for information, but we have to plan as do the Americans and other nations to give out such information if we want to combat the cold war. I think we should do everything we can in that regard. I think information is more important than anything else. You say we are not spending money enough to meet the requirements or even the requests of the different nations who are asking for information with regard to Canada. Well, Mr. Fraser made a remark about \$27,000, which is in our budget—

Mr. FRASER: I agree that it is peanuts in the budget.

Mr. CÔTÉ: It is not a matter of money, it is a matter of principle.

Mr. MACNAUGHTON: I think, Mr. Côté has a very good idea, and I think Mr. Moran would agree that he can use more publications. It might be commercially possible to solicit publications from commercial organizations like the railways and other large companies in Canada. It is quite obvious that the French of France derive a great deal of tourist trade and benefit from their wonderful propaganda. The same applies to the Swiss, and it seems to me that now that Europe is recovering slowly and there is more travel between the continents, we too could obtain a large amount of tourist traffic from Europe by increasing our publicity and improving it more or less along the European artistic lines. I think the present standard is not as high as it should be or could be. It certainly is one more job that External Affairs might look into and perhaps push. I am sure there would be a lot of sympathy both commercially and intellectually amongst the members.

By Mr. Fraser:

Q. Under purchase of publications for distribution there is an increase of \$5,000?—A. Yes, sir. That entire \$5,000 is accounted for by producing this year for the first time "Canada From Sea To Sea" in German, Danish, and Dutch.

Q. Then "Canada From Sea To Sea" is included in the other item mentioned before?

Mr. PICARD: That was in English?

Mr. FRASER: Well, in item 12 you mention "Canada From Sea To Sea" under other publications and departmental reports—and in No. 9 you mention it.

The WITNESS: I did not mention it being in there as an item of expenditure but as the discussion then centered on the numbers of copies of "Canada From Sea To Sea" I gave its distribution figures while discussing the earlier item. "Canada From Sea To Sea" appears you say under what number?

Mr. FRASER: No. 12. I am talking about publications for distribution.

The CHAIRMAN: What page?

Mr. FRASER: Page 160 under Administration.

The WITNESS: This item is the procurement of publications. That is the purchase of those publications which are not produced by the Department of External Affairs.

The CHAIRMAN: Yes.

By Mr. Fraser:

Q. This is covered, and this might also cover the Trade and Commerce hand books?—A. This vote would.

Q. What vote in here covers the different speeches of the minister and the assistant to the minister?—A. They are under Printing and Stationery.

Mr. FLEMING: Are they under Other Publications in number 9?

Mr. FRASER: Office stationery, No. 11?

The WITNESS: Yes, Mr. Chairman, office stationery, supplies and equipment. Things like the ministers' speeches are limited to the expense of the purchase of paper and the time required for mimeographing. They are typed in the department and the only expenses are for purchase of paper. That item comes under No. 11, office stationery, supplies, and equipment.

Mr. FRASER: There is a \$24,000 increase there.

Mr. LESAGE: Mr. Fraser should not forget that he gets free publicity in *Hansard* to an extent much greater than any one minister.

Mr. RICHARD: And in this committee.

Mr. FLEMING: He deserves it.

Mr. GAUTHIER (*Portneuf*): When a delegation goes anywhere—including members of the C.C.F., Social Credit, and Conservative parties, I gather their expenses are included?

Mr. FRASER: Their speeches are never printed by this department.

Mr. GAUTHIER (*Portneuf*): I do not mean that. When you are invited to a delegation there are expenses—

The CHAIRMAN: Have you any other questions, Mr. Fraser?

Mr. FRASER: No, Mr. Chairman.

By Mr. Fleming:

Q. May we turn to the details on page 5 starting with the first one. I have a few questions under the large item of salaries. Mr. Moran, I take it that last year when you found you were exceeding your estimates in respect of salaries for permanent employees you drew on the amount provided for salaries for temporary employees?—A. Yes, Mr. Chairman, it is within the same vote and it is simply a transfer.

Q. I understand that the details are not part of the statute; the details are for the information of the House when enacting the appropriation; but I was wondering whether any portion of this transfer to salaries from temporary to permanent employees is accounted for by an unusual or extraordinary transfer of employees from temporary to permanent status? Or does this largely resolve itself into a matter of the increase in the level of salaries for the permanent employees?—A. It is a combination of both, Mr. Chairman. I can give the figures for the changes from temporary to permanent.

Q. I think Mr. Heeney, at the opening sitting, gave us in his general statement some figures on the point. I was wondering if Mr. Moran has figures which would indicate how much of this transfer from the temporary employees was accounted for by the increase in permanencies and how much was drawn to meet increases in the scales of salaries?—A. Not in dollars. I can give the increase in the number of permanent employees of the department

which in every case will be a transfer from the temporary employees, but there is no basic figure you can multiply by and get the total you are seeking—because these transfers are in all the grades from grade 2 stenographers to foreign service officer grades. It is a figure which we could produce.

Q. I think it would be interesting information; and, on the same point, the difference in your expenditure as compared to the estimates in the two items is larger than is usually the case, is it not, Mr. Moran?—A. The transfer across—yes, it is.

Q. From the temporary to the permanent estimates?—A. Yes, and as I say it is a combination of the two things: the number of permanencies that have been accomplished during the past year; and also the fact that in that fiscal year there was a general salary increase for Civil Servants—which does not come every year.

Mr. MACNAUGHTON: Mr. Chairman—

By Mr. Fleming:

Q. I was going to suggest that I follow through on these details, taking them one at a time—that is just a suggestion as it would be more orderly—and while still on number 1 I see there is a provision made here for an increase of about \$60,000 this fiscal year in respect of total salaries, as compared to last year's expenditures. Could Mr. Moran tell us how much of that represents increases in staff and how much represents increases in scale of salaries?—A. No, I have not available here the dollar figures for that type of transfer. It is information we could get but I cannot give it this morning.

Q. Is it readily available?—A. Yes, sir.

Q. I have a question on No. 4, unless someone has a question before then?

By Mr. Fraser:

Q. Yes, I have a question on No. 1. I just wonder if the new advertising man mentioned in the morning paper is included in the estimates for this year. I refer to the new advertising man from Toronto?—A. Yes, Mr. Chairman, his salary is included. It is not new; and that office has been in existence since I have been in the department, which is since 1946.

Q. He is replacing another man?—A. Yes, sir. Allan Anderson. That work was at one time performed in the information division. During the six years I have been in the department that work has been carried on first in the information division and then about two years ago was lifted out of that division and an individual office under Allan Anderson was set up. He is now being posted abroad and Mr. Friefeld, who has served at our Consulate General in New York and who returned to Ottawa about a year ago to work in the information division, has taken on the responsibilities.

By Mr. Macnaughton:

Q. Well, his correct title is information officer, not advertising officer?—A. His title is press officer.

Q. That is information?

Mr. GAUTHIER (*Lac St. Jean*): Liaison.

The WITNESS: One of his duties is liaison with the Press Gallery in Ottawa. Departmental press releases are handled by this man, and delivered to the Press Gallery. Arrangements for press conferences are made by him and the minutes of such conferences are produced in his office. His chief occupation is to answer enquiries that are directed to the department by members of the press in Ottawa or elsewhere. This appointment was created principally, to relieve the under-secretary's office and the heads of divisions from the very considerable number of calls that are received in the course of every day from the press.

This officer has to keep abreast of developments in the international field and be in a position to answer enquiries. If there is a matter with which he is not familiar he undertakes to get the information for the newspapermen.

Mr. FRASER: Is it through his office that the External Affairs monthly bulletin is published?

The WITNESS: No, sir. He is responsible for no publications of any kind except the official departmental press releases.

Mr. RICHARD: Can you tell me on what basis temporaries become permanent? My understanding is that some become permanent very quickly through order-in-council or otherwise, but is there any regular basis of promotion?

The WITNESS: We have had none become permanent in our department by order-in-council. It is done solely through the processes of the Civil Service Commission. As far as the Department of External Affairs is concerned no one can be made permanent within one year of joining the service. The requirements for permanency are that the department must certify that the employee has given continuous satisfactory service for at least one year; and that he has passed the necessary qualifying competitive examination for permanent appointment. For example, there was a civil service competition last week for grade 2 stenographers.

Mr. GAUTHIER (*Lac St. Jean*): Qualifying conditions come under the Civil Service Commission or under your department?

The WITNESS: Under section 35 of the Civil Service Act.

By Mr. Richard:

Q. Would you have many temporaries who are of say five years standing?

—A. I cannot give you the exact numbers. We have some, yes, because as you know there is a quota established for departments and permanencies are restricted by that quota. Fortunately we have not yet reached the ceiling of our quota in External Affairs. I can think of no foreign service officer in the Department of External Affairs who has been with us for five years and who is not permanent.

Q. My point is that you have a number of long term temporaries on your staff—clerical staff?—A. There are some. I have not got the number but I would be surprised if there were many.

Q. Is consideration given to the length of service, especially for people on the clerical staff—as compared with those who are recent appointments of more than one year?—A. Well, it is granted to them in this way: as soon as they have completed one year of satisfactory service they are then eligible to write the qualifying competition, if they wish. I say if they wish because there are a number of civil servants who have expressed no desire to become permanent, and who will not write the qualifying competition. There are a few of those in our department. After they have completed one year of satisfactory service, they may then write a civil service exam, and if successful, they become eligible for permanency when a vacancy in their grade occurs, so that the long term person generally becomes eligible before the more recent appointee.

Q. I take it that this particular thing does not apply only to your department; and I am in a position to notice that there are a number of long term temporaries in all these departments who are as eligible as people who have been there for only two or three years; and sometimes people who have been in a department for a lesser period of time become permanent, while those who have been there longer, do not. What makes the selection?—A. In the case of the Department of External Affairs, the selection is made by a board or a committee composed of members of our department; and a recommendation is then made to the under secretary who forwards it, if approved, to the

Civil Service Commission. I would very much like, if I may, to look into the question of length of service in our department among our temporaries.

I know of one girl who was with the Department of External Affairs for ten years as a temporary; but her qualifications were such that had she remained with us for 25 years, she would still have been a temporary.

By Mr. Côté:

Q. Are you talking about clerical work or professional work?—A. At the moment, we are on the subject of clerical staff.

Q. How about professional work?—A. I know of no officer in the Department of External Affairs who has been with us for five years who has not been made permanent.

Mr. RICHARD: Will you check up on that for us, please?

The WITNESS: Yes, sir.

By Mr. Fleming:

Q. Going on now to item 4, under which you have a heading "Other professional and special services"; I note that you had no estimate last year but you are asking for \$8,500 this year. You had no estimate last year; what is that estimate to provide for?—A. The \$8,500 is made up of \$4,000 for a Military Observer in Kashmir. He is appointed by the Department of National Defence, but because of the nature of his employment his expenses are chargeable to External Affairs. Colonel Sharman is the Canadian representative on the Narcotics Commission, and he goes away periodically to attend various conferences in that connection; the \$1,500 item was put in there to cover his expenditures; the remaining \$3,000 is for the purpose of reimbursing the Department of Veterans Affairs for the rental of Hollerith machines which we are using in our establishment and organization division for special staff records or cards, such as pay cards, for the recording of data which we require. This practice has resulted in a saving of personnel.

Q. And the next item, I presume, has to do with what you made reference to earlier, tuition and examination fees for languages. Last year you spent \$610, and you are asking for \$2,500 this year. Is that to prepare officers going abroad to meet their language requirements?—A. Yes, it represents \$25 per month for individuals; it is not a general grant made to them but is given on an accountable basis.

Q. Well, it does not impress one that there is very extensive use being made of that privilege. \$25 a month would be just about 24 months if that is for a half dozen people; it is only about six months; are there only about four people taking advantage of this?—A. I do not think it is always for six months. We endeavour to give every officer six months notice of his posting. We are not able in every case to achieve that, but he has a maximum of six months in which to make various preparations with respect to his posting including instruction in languages. This tuition allowance is not available to the heads of the missions; so they are eliminated. You would eliminate also the group which is being posted to commonwealth countries, and you would eliminate the group who are proficient in French, the group which is going to European countries where French is the national language, because most of our people are proficient in French. This money, in any event, is not available for instruction in French or English.

By Mr. Picard:

Q. Is that not rather a broad statement when you say "most of our people are proficient in French"?—A. Maybe I should say "many". Many are. You are reduced then to those people who are going to South America or to central European countries and who have not been there before.

The chances are that if they have been there before, they are already proficient in the language. My point is that when you eliminate certain classes of people, you finally get down to quite a small group who would be taking tuition in languages. Many are paying for it out of their own pockets, since this allowance becomes available to them only when they have received a posting notice to a country where a foreign language is spoken.

Q. The opinion was expressed by the Americans during the last war that even with the Haltz system or the Linguaphone or a system of gramophone records which is supposed to be the fastest way, it would take one full year for a man to speak a foreign language decently—not well, mind you, but merely decently or fairly. That would involve six months of tuition and six months of practice.—A. Yes, sir.

Q. So, as Mr. Fleming has said, that would not seem to indicate that a large number are taking advantage of that privilege; and I think you mentioned that those who speak the language of the country constitute a small number.—A. As far as French is concerned, I might say that there are French classes held within the department. The instructors are members of our staff, French speaking officers of the department who give French classes a couple of times a week to both officers and clerical staff.

Q. From my acquaintance with some of them, I would say that their French in many cases would be the equivalent of what I would call barely a working knowledge of the language, so that they can manage; but you could not say that most of them speak French well enough. There are some on the staff of the British Embassy in Paris who can speak French perfectly and fluently, while some who are on the staff of our Paris Embassy can say but a few words.

Mr. LESAGE: I do not think that should go on the record. I know all the officers in our embassy in Paris perfectly well.

Mr. PICARD: I mean since the close of the war I have been there every year, and I know that at times there were some who had barely a working knowledge of French.

Mr. LESAGE: I know everyone of them there today and I can guarantee to the committee that they all have a good knowledge of French. Many of them have a thorough knowledge of French, and I refer to France as well as Belgium.

Mr. PICARD: I am sorry that I do not agree with you.

Mr. LESAGE: I was there for two months and I know!

Mr. MACNAUGHTON: I have a question under the heading of legal services.

Mr. PICARD: I was there since the war too.

Mr. LESAGE: I was not lucky enough to get to Paris before the last war.

Mr. PICARD: I have heard it remarked quite often by the French themselves.

Mr. LESAGE: And what I said goes even for Switzerland.

The CHAIRMAN: Mr. Macnaughton.

By Mr. Macnaughton:

Q. On page 5 under the heading of legal services, there is no provision made for 1952-53. I presume when you need them you will get them on the spot, or do you render your own legal decisions?—A. This is a departmental item; this is at home.

Q. Oh!—A. I know that it is only in most unusual cases that we would have to employ any legal services outside of the Department of Justice.

By Mr. Fleming:

Q. What was the expenditure of \$760 for last year, on this item?—A. I am a little hazy on it; I am not sure whether it was for the Belgian embassy; I think it had to do with the service of foreign documents which had been sent to the province of Quebec, to the government of the province of Quebec, and who employed a lawyer in connection with the case. But how the bill came to us, I do not recall. Probably I could get you the exact details. It was not a lawyer employed by our department on behalf of external affairs, but it was an international matter, and it was charged to the Department of External Affairs.

Mr. MACNAUGHTON: Did it have to do with the Polish treasures?

The WITNESS: No, I could get you the information.

By Mr. Fleming:

Q. You say that you have some further information which you can bring to the committee?—A. Yes, sir.

Q. And the next item, press and news services; what is the nature of that item?—A. These are teletype lines.

Q. Do you subscribe to the service of certain of the press services?—A. Yes, and if you would like to have a breakdown of that, it is as follows: press service, Ottawa, cost us \$1,200; the United Nations press system cost us \$3,500; the press news teletype, Ottawa, cost us \$120; and the Canadian press teletype, Ottawa, also cost us \$120.

Q. Item 5; may I ask Mr. Moran to bring to the next meeting a breakdown of the two items there on last year's expenditure, the item of \$19,475, for travelling expenses and transportation costs, and \$291,673 for removal and home leave expenses.—A. Yes. That is broken down in the same manner we did it for you last year. That showed transportation, hotel, meals, sundries, and things like that. It was under three headings. Perhaps you might say how you want it broken down.

Q. Well, I presume these expenditures are broken down in terms of their being allocated or charged to certain diplomatic posts, are they not?—A. No.

Q. Were some of them charged to Ottawa?—A. Yes, to Ottawa. Those under the heading of travelling and removal expenses are travelling expenses and transportation costs; that is an Ottawa item. Removal and home leave expenses are people moving between Ottawa and abroad; home leave expenses would include the staff coming back after their three and one-half years let us say, in Paris, to spend two months home leave in Canada and then to go back.

Q. I was not asking for the names, but I presume in the case of the second item, removal and home leave expenses, you have just charged them to the particular embassy or post?—A. We have them charged to individuals.

Q. Could we have it broken down in that way? I am not asking you to give the names of the individuals: but could you give us the post from which the person is coming to Ottawa on leave? Perhaps you could get it for us during the course of the committee?—A. Would you want it for all of them? My reason for asking is that you may recall that the one which was tabled by us last year, or the year before, covered only people over a certain figure. We have no reluctance to give it all, but I thought perhaps it was the larger ones in which you would be mainly interested. These things go down to somebody paying a 60 cent taxi fare.

Q. You do not need perhaps to go to all that trouble.—A. Well, whatever figure you would wish.

Q. What was the amount asked for last year, was it \$500?—A. I think it was more than that, \$1,000 or \$1,500, is my recollection. I have no way of telling of course how many are involved above that figure without examining the list.

Q. I think I said above \$500; but if you cannot find sufficient numbers between \$500 and \$700 or \$800, you can start there.

The CHAIRMAN: It is now one o'clock. I thank you gentlemen for being here during the whole sitting; and I thank Mr. Moran for his presentation. Will it be agreeable to the members of the committee for us to have our next meeting on Thursday, April 24, at 11:00, when I believe it will be possible for us to have with us the hon. Mr. Pearson.

Agreed.

The WITNESS: Mr. Chairman, in the event that the minister is here on Thursday, would we postpone the answers to these questions at that meeting?

The CHAIRMAN: Yes, unless there is time left after the statement by the minister.

APPENDIX "A"

FAO COMMITTEE ON COMMODITY PROBLEMS

The following terms of reference of this Committee were adopted at the Fifth Session of the FAO Conference in 1949:

The Committee would be advisory and would address its attention primarily to the food and agricultural surplus commodity situation arising from balance of payments difficulties as described in Part II paragraph 11 (a). With respect to such surpluses, its functions would be:

- (a) to consider such statements as to their needs as may be received from the governments of countries experiencing difficulties in securing supplies and to transmit such statements to governments of countries holding surpluses;
- (b) to consider such statements as may be submitted by the governments of countries holding surpluses concerning their proposals for disposing of supplies on special terms and to make recommendations thereon to the governments concerned, having regard to the effects of such transactions on the interests of other importing and exporting countries;
- (c) to review information relating to commodity surplus and deficit situations and, where considered desirable, to initiate discussion between governments with a view to promoting appropriate international action.

2. These terms of reference were widened by the adoption of a resolution by the Special Session of the FAO Conference held in Washington in November, 1950, which reads as follows:

- (a) that a committee on commodity problems shall continue to operate and shall be regarded as the instrument of FAO to analyse and interpret the international commodity situation and to advise the Council on suitable action;
- (b) that its terms of reference shall be those laid down by the Fifth Session of the Conference, save that the Committee will address its attention to commodity problems falling within the competence of FAO to consider, whether arising from balance-of-payments difficulties or from other causes;
- (c) that in interpreting its terms of reference the Committee shall be guided by the Report on Commodity Problems of the Tenth Session of the Council.

3. The Council of FAO at its Fourteenth Session held in Rome on December 7, 1951, elected the following countries as members of the Committee on Commodity Problems:

Argentina	Germany
Australia	Netherlands
Burma	Pakistan
Canada	Sweden
Cuba	United Kingdom
Egypt	United States
France	Yugoslavia

4. The first meeting of the newly appointed Committee on Commodity Problems was held in Rome on February 18, 1952, and we attach a copy of the report of the Canadian delegate to this meeting, Dr. S. C. Hudson of the Department of Agriculture.

FAO COMMITTEE ON COMMODITY PROBLEMS

The following is a brief report on the 18th meeting of the FAO Committee on Commodity Problems which was held in Rome, February 18th-21st, 1952, and which I attended as Canadian Representative. The Committee did not prepare a report, but a summary record of the discussions will be distributed shortly. The Committee on Commodity Problems is composed of the following fourteen member governments: Argentina, Australia, Burma, Canada, Cuba, Egypt, France, Germany, Netherlands, Pakistan, Sweden, United Kingdom, United States of America and Yugoslavia. There were also observers from thirteen countries and three international organizations. Mr. John Wall, Under-Secretary, United Kingdom Ministry of Food was elected Chairman and Mr. S. Krasovec, Director, Federal Statistics Office, Belgrade, Yugoslavia, as Vice-Chairman.

Agenda

1. Report of the Sixth Session, the FAO Conference.
 - (a) International Commodity Problems.
 - (b) Food shortages and Famine.
2. Review of the World Agricultural Commodity Situation, with particular reference to:
 - Coarse grains,
 - Livestock products,
 - Fats and oils,
 - Fruits and Vegetables,
 - Fertilizers and Insecticides.
3. Problems of Rice Supply and Distribution.
4. Programs and Policies of Other Inter-governmental Commodity Bodies.
5. International Commodity Stabilization Techniques.
6. Netherlands Memorandum on the Stimulation of the Consumption of Milk and Dairy Products.
7. Next Meeting: Time, Place and Agenda.

Emergency Food Reserves

The resolution adopted by the Conference which provided that "the Council should study and explore suitable ways and means whereby emergency food reserves can be established and made available promptly to member states threatened or affected by serious food shortages and famine" was discussed briefly by the Committee. The Acting Director-General reported that the staff of FAO is preparing a document on this subject for the next meeting of the FAO Council which will provide information on the incidence of famine in a number of countries and will estimate the size of food reserves that might be required, together with suggestions as to how such a reserve might be established and administered. This document will be circulated to member governments prior to the next session of the Council.

Feed Grains and Livestock Products

Documents were distributed to the members of the Committee reviewing the world situation with respect to coarse grains, livestock products, fats and oils, and fertilizers and insecticides. A review of the coarse grain situation indicated an inadequacy of exportable supplies. The uncertain prospects for a substantial improvement in supplies of feed grains for importing countries in the near future due to poor harvests in the southern hemisphere, to increasing domestic consumption in some exporting countries and to the prevailing dollar shortage was viewed with great concern by representatives of some European countries, particularly the Netherlands. The need for greater self-sufficiency in feed supplies in importing countries through measures for improving grassland and raising generally the output of coarse grains and other feeding stuffs was stressed. It was agreed that further consideration would be given to this subject at the next meeting of the Committee and that the setting up of a study group on coarse grains would be considered. Members of the Committee reviewed the commodity situation in their respective countries.

In reviewing briefly the commodity situation in Canada, I indicated that, taking into account that part of our wheat crop which is still to be harvested, feed grain supplies in Canada would be up 33 per cent but that exports during 1951-52 would be limited by the transportation facilities available to carry the stocks to seaboard. In commenting on the situation with regard to livestock and livestock products, I took advantage of the opportunity to point out the problem facing Canada in connection with finding export outlets for cheddar cheese and concentrated milk products as a result of the shortage of dollars in the Sterling Area and the closing of the U.S. market as the result of the import controls imposed under Section 104 of the U.S. Defence Production Act.

Rice

In accordance with instructions from the Conference, the Committee reviewed the situation with respect to the supplies, distribution and prices of rice in the main producing and consuming areas. World output last year had barely recovered to the pre-war level and total exports were still less than half the pre-war level. The Committee's analysis of the situation suggested that rice would continue to be scarce for some time to come. The Committee recommended that, because of the acuteness of the problem, the Director-General of FAO should call interested countries to attend a special international meeting on rice to consider ways of improving the present situation.

Other Intergovernmental Commodity Bodies

Reference was made to the draft sugar agreement which is to be examined shortly by members of the International Sugar Council and to the impending discussions with respect to the renewal of the International Wheat Agreement. It was pointed out that FAO would have an observer at these two meetings through whom the Committee will be kept informed with regards to discussions which take place. The FAO representatives on the Interim Co-ordinating Committee for International Commodity Arrangements (ICCICA) is Mr. Stanley Andrews of the U.S.A. Since Mr. Andrews has been temporarily assigned to other duties, he was not able to participate in the meeting of the Committee. Some members pointed out the importance of having the FAO representative on ICCICA maintain close contact with the Committee on Commodity Problems.

Netherlands Memorandum on Increasing Consumption of Milk

The Netherlands memorandum on the stimulation of the consumption of milk and dairy products was discussed at some length. This memorandum proposes that provision be made for international propaganda to encourage consumption of fluid milk and other dairy products. This subject is also under review by OEEC and it was agreed to set up a study group at the next meeting of the Committee to consider this matter, taking into account the work being done by OEEC and a paper to be prepared by the Secretariat.

Next Meeting of the Committee.

It was agreed that the next meeting of the Committee would be held in Rome, June 3rd - 7th, 1952, immediately prior to the meeting of the FAO Council with a subsequent meeting to be held in November. The following is a list of the items proposed for the agenda of the next meeting.

1. Review of the World Commodity Situation with particular reference to wheat, coarse grains, livestock products, fats and oils, fertilizers, fruits and vegetables, and fish.
2. Emergency food reserves.
3. Activities of other inter-governmental agencies.
4. Commodity stabilization techniques.
5. Increasing milk consumption (Netherlands memorandum).
6. Impediments to the International Distribution of Food and Agricultural Commodities.
 - (a) currency problems.
 - (b) legislative impediments—import and export controls.

The last item on the agenda was suggested by the Canadian representative. While all members of the Committee admitted the importance of this subject, there was some reluctance to placing it on the agenda; one point of view being that it was a matter for consideration by GATT. I submitted that all that was proposed was a review of the current situation with respect to impediments to trade and that it was not realistic to discuss the supplies and the demand for commodities listed on the agenda without taking into account the impediments to the free distribution of those commodities. Since this would provide an opportunity to bring up the question of Section 104 to the U.S. Defence Production Act, it is suggested that some documentation on this question be prepared and that a Canadian statement might be distributed for study by the Committee.

APPENDIX "B"

USE OF BLOCKED CURRENCIES BY
DEPT. OF EXTERNAL AFFAIRS

1950-51

Canadian Equivalent

Operational

Belgium	\$ 12,603.20
Denmark	23,895.71
France	158,398.32
Germany	91,176.83
Japan	712.51
Netherlands	22,514.01
Yugoslavia	33,351.17

Total Operational	<u><u>342,651.75</u></u>
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Capital

Danish Kroner (Denmark)	15,762.50
French Francs (France)	239,499.32
French Francs (Bonn, Germany)	26,086.86
French Francs (Greece)	13,428.94
French Francs (Sweden)	18,374.36
French Francs (London)	3,007.96
Deutschmarks	61.75
Dutch Guilders	41,751.75

Total Capital	<u><u>357,973.44</u></u>
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USE OF BLOCKED CURRENCIES BY
DEPT. OF EXTERNAL AFFAIRS
1951-52 (Not Final)

Canadian equivalent

Operational

Denmark	\$ 14,397.83
*France	140,792.92
Germany	71,295.04
Japan	34,557.00
Italy	27,316.09
The Netherlands	27,784.51
Yugoslavia	16,552.08

	<u><u>332,695.47</u></u>
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Capital

French Francs	351,131.82
Danish Kroner	5,259.17
India Rupees	162,512.00

	<u><u>\$518,902.99</u></u>
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*In addition, an amount of approximately \$95,000 worth of Blocked francs was used in Paris in connection with the United Nations Sixth General Assembly.

BLOCKED CURRENCIES ABROAD

	Balance Canadian Equivalent March 31/52	Further known Amounts to Come Canadian Equivalent
Danish Kroner	400	—
French Francs	282,000	5,535,000
German Deutschmarks	34,500	—
Indian Rupees	—	—
Italian Lire	50	1,300,000*
Japanese Yen	1,500	200,000
Netherlands Guilders	1,367,000	—
Spanish Pesetas	175,000	80,000
Yugoslavia Dinars	50	75,000
	<u>1,860,500</u>	<u>7,190,000</u>

*Settlement to be (a) \$500,000 worth of Italian Government 5% Bonds; (b) remaining \$800,000 in local currency, less purchase price of property (\$194,951) refundable in dollars.

APPENDIX "C"

PURCHASES MADE ABROAD FROM BLOCKED FUNDS

Currency	Country	Purpose	Canadian Equivalent
FISCAL YEAR 1948-49			
Danish Kroner	Denmark	Residence Furnishings	
		Rugs, carpets, drapes	2,157.60
		Furniture	6,177.60
			<u>8,335.20</u>
Dutch Guilders	Netherlands	Purchase of Residence	194,128.80
FISCAL YEAR 1949-50			
Danish Kroner	Denmark	Purchase of combined Residence and Chancery building	136,729.73
Italian Lira	Italy	Purchase of property for Residence and Chancery	194,951.00

Currency	Country	Purpose	Canadian Equivalent
FISCAL YEAR 1950-51			
French Francs	France	Purchase of Residence	239,499.32
Dutch Guilders	Netherlands	Purchase of Chancery site	41,751.75
Danish Kroner	Denmark	Purchase of furniture and redcoration of residence, Copenhagen	
		Rugs, carpets, drapes	1,206.61
		Furniture	7,608.78
		Appliances, equipment	157.00
		Redecoration	6,790.11
			15,762.50
French Francs	Germany	Purchase of furniture for residence in Bonn, Germany	
		Rugs, carpets, drapes	2,706.61
		Furniture	21,885.16
		Appliances and equipment ..	1,495.09
			26,086.86
Deutschemarks	Germany	Freight charges on above noted furniture	61.75
French Francs	Greece	Purchase of furniture for residence in Athens, Greece	
		Rugs, carpets, drapes	2,534.21
		Furniture	10,894.73
			13,428.94
French Francs	United Kingdom	Purchase of electrical fixtures for Official residence, London, England ..	3,007.96
French Francs	Sweden	Purchase of furniture for residence in Stockholm, Sweden	
		Rugs, carpets, drapes	4,477.92
		Furniture	13,677.16
		Appliances equipment	219.28
			18,374.36
FISCAL YEAR 1951-52 (not final)			
French Francs	France	Purchase of Chancery Premises	295,553.48
Indian Rupees	India	Purchase of combined Chancery and residence premises	162,512.00
French Francs	France	Repairs and alterations to new residence in Paris	28,453.82
French Francs	Yugoslavia	Purchase of furnishings for residence in Belgrade	
		Furniture and furnishings	21,270.76
Danish Kroner	Denmark	Purchase of furnishings for residence in Copenhagen	
		Rugs, carpets and drapes ...	1,259.17
		Furniture	4,000.00
			5,259.17
French Francs	France	Purchase of furnishings for residence in Paris	5,853.76

APPENDIX "D"

CAPITAL ASSETS ABROAD

Country	Asset	Canadian dollar equivalent of Cost Price	
Argentina	Residence furnishings	38,496.92	
	Chancery furnishings, equipment	13,803.57	
	Automobiles and vehicles	5,903.72	
			58,204.21
Australia	Residence-Government owned	39,820.00	
	Residence furnishings	18,846.61	
	Chancery furnishings and equipment	4,195.59	
	Automobiles and vehicles	5,775.71	
			68,637.91
Belgium	Residence furnishings	23,599.41	
	Chancery furnishings and equipment	8,932.86	
	Automobiles and vehicles	3,279.06	
			35,811.33
Brazil	Residence furnishings	30,858.27	
	Chancery furnishings and equipment	5,206.29	
	Automobiles and vehicles	5,537.58	
			41,602.14
Chile	Residence furnishings	17,380.94	
	Chancery furnishings and equipment	8,850.11	
	Automobiles and vehicles	2,435.64	
			28,666.69
China	Government-owned compound comprising residence, chancery and staff quarters erected after purchase of land	200,635.00	
	Residence furnishings	74,643.00	
	Chancery furnishings and equipment	7,148.73	
	Automobiles and vehicles	9,927.20	
			292,353.93
Cuba	Government-owned residence	77,250.00	
	Residence furnishings	19,247.84	
	Chancery furnishings	5,136.33	
	Automobiles and vehicles	7,181.37	
			108,815.54
Czechoslovakia	Residence furnishings	37,868.93	
	Chancery furnishings	5,647.15	
	Automobiles and vehicles	4,723.91	
			48,239.99
Denmark	Government-owned combined residence and chancery	136,729.73	
	Residence furniture	59,033.14	
	Chancery furniture and equipment	9,809.97	
	Automobiles and vehicles	2,611.82	
			208,184.66

STANDING COMMITTEE

Country	Asset	Canadian dollar equivalent of Cost Price	
France	Government-owned residence	239,499.32	
	Government-owned chancery	295,553.48	
	Residence furnishings	9,676.25	
	Chancery furniture and equipment	21,670.20	
	O.E.E.C. office furniture and equipment ..	6,879.29	
	Automobiles and vehicles	13,283.44	586,561.98
Germany	Residence furnishings	43,171.08	
	Chancery furnishings and equipment	11,464.86	
	Berlin office inventory	1,616.80	
	Automobiles and vehicles	7,731.94	63,984.68
Greece	Residence furnishings	45,123.94	
	Chancery furnishings and equipment	7,099.60	
	Automobiles and vehicles	8,413.22	60,636.76
India.....	Government-owned combined office and residence	162,512.00	
	Residence furnishings	54,009.11	
	Office furnishings and equipment	11,093.07	
	Automobiles and vehicles	5,118.38	232,732.56
Ireland.....	Government-owned residence	32,230.00	
	Residence furnishings	23,431.43	
	Office furnishings and equipment	10,554.94	
	Automobiles and vehicles	7,300.18	73,516.55
Italy	Government-owned site for residence and chancery	194,951.00	
	Residence furnishings	23,563.85	
	Chancery furnishings and equipment	9,963.59	
	Automobiles and vehicles	10,478.14	238,956.58
Japan	Government-owned compound comprising residence and chancery	215,500.00	
	Residence furnishings	32,521.09	
	Chancery furnishings and equipment	2,846.69	
	Automobiles and vehicles	7,305.06	258,172.84
Mexico	Residence furnishings	39,699.55	
	Office furnishings and equipment	3,260.99	
	Automobiles and vehicles	4,443.46	47,404.00
The Netherlands ...	Government-owned residence	194,128.80	
	Government-owned chancery building site	41,751.75	
	Residence furnishings	28,424.53	
	Chancery furnishings and equipment	7,295.27	
	Automobiles and vehicles	6,819.47	278,419.82
New Zealand ..	Government-owned residence building site	8,390.00	
	Residence furnishings	34,367.21	
	Chancery furnishings and equipment	8,727.25	
	Automobiles and vehicles	4,617.41	56,101.87

EXTERNAL AFFAIRS

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Country	Asset	Canadian dollar equivalent of Cost Price	
Norway	Residence furnishings	36,467.27	
	Chancery furnishings	7,671.95	
	Automobiles and vehicles	2,593.40	
			46,732.62
Pakistan	Residence furnishings	7,359.48	
	Chancery furnishings and equipment	10,051.42	
	Automobiles and vehicles	5,669.67	
			23,080.57
Peru	Residence furnishings	5,768.58	
	Chancery furnishings and equipment	5,104.65	
	Automobiles and vehicles	1,978.65	
			12,851.88
Poland	Residence furnishings	59,704.97	
	Chancery furnishings and equipment	6,595.43	
	Automobiles and vehicles	3,296.05	
			69,596.45
South Africa	Government-owned residence	70,600.00	
	Residence furnishings	34,241.66	
	Chancery furnishings (includes Capetown office)	10,508.39	
	Automobiles and vehicles	2,117.17	
			117,467.22
Sweden	Residence furnishings	45,508.72	
	Chancery furnishings and equipment	6,918.14	
	Automobiles and vehicles	7,750.74	
			60,177.60
Switzerland	Residence furnishings	42,046.12	
	Chancery furnishings and equipment (includes Geneva office)	17,015.21	
	Automobiles and vehicles (includes Geneva office)	3,494.25	
			62,555.58
Turkey	Residence furnishings	19,545.93	
	Chancery furnishings and equipment	12,336.02	
	Automobiles and vehicles	6,229.92	
			38,111.87
U.S.S.R.	Residence and staff residence furnishings	107,724.00	
	Chancery furnishings and equipment	7,640.00	
	Automobiles and vehicles	7,289.68	
			122,653.68
United Kingdom	Government-owned Chancery premises	1,086,041.00	
	Government-owned residence	92,693.00	
	Renovation and reconstruction of resi- dence	191,349.15	
	Residence furnishings	73,991.04	
	Chancery furnishings and equipment	5,512.45*	
	Automobiles and vehicles	10,784.12	
	Canteen furnishings and equipment	3,700.48	
			1,464,071.24

*—On External Affairs inventory
Other items on Public Works' inventory.

STANDING COMMITTEE

Country	Asset	Canadian dollar equivalent of Cost Price
<hr/>		
U.S.A.—		
Washington ...	Government-owned residence	305,280.00
	Government-owned chancery	475,000.00
	Residence furnishings	20,566.48
	Chancery furnishings and equipment	23,436.19
	Automobiles and vehicles	4,174.67
		<hr/>
		828,457.34
Boston	Consulate furnishings and equipment	15,182.81
Chicago	Consulate furnishings and equipment	9,113.35
New York	Government-owned flat—Consul General's residence	26,000.00
	Residence furnishings	30,987.41
	Consulate and CDUN furnishings and equipment	22,444.16
	Automobile and vehicles—CDUN only ...	1,398.95
		<hr/>
		80,830.52
San Francisco ..	Consulate furnishings and equipment	11,229.13
Venezuela	Consulate furnishings and equipment....	4,212.77
Yugoslavia	Residence furnishings	11,594.00
	Chancery furnishings and equipment	9,810.06
	Furnishings of Secretary's flat	6,239.75
	Automobiles and vehicles	4,384.83
		<hr/>
		32,028.64
	Miscellaneous assets at Trade Commissioners' Posts and in stock	18,931.68

HOUSE OF COMMONS

Sixth Session—Twenty-first Parliament, 1952

Government
Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. BRADETTE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

THURSDAY, APRIL 24, 1952

ITEM 85

Main Estimates of the Department of External Affairs—Departmental Administration.

WITNESS:

Hon. L. B. Pearson, Secretary of State for External Affairs.

MINUTES OF PROCEEDINGS

THURSDAY, April 24, 1952.

The Standing Committee on External Affairs met at 11.00 o'clock a.m. this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Bater, Bradette, Coldwell, Decore, Diefenbaker, Fleming, Gauthier (*Lac St. Jean*), Graydon, Jutras, Kirk (*Digby-Yarmouth*), MacDougall, MacKenzie, Macnaughton, Quelch, Richard (*Ottawa East*).

In attendance: Hon. L. B. Pearson, Secretary of State for External Affairs; Mr. Escott Reid, Acting Under-Secretary of State for External Affairs and Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs.

Item No. 85—Estimates of the Department of External Affairs, was further considered.

Mr. Pearson was introduced, questioned and the examination continuing, at 12.45 o'clock p.m., the Committee adjourned until 11.00 o'clock a.m., Tuesday, April 29.

E. W. INNES,
Clerk of the Committee.

EVIDENCE

April 24, 1952.

11.00 a.m.

The CHAIRMAN: Gentlemen, I will call the meeting to order as we have a quorum now. I appreciate that all the more because I realize there are so many committees meeting at the present time.

I see that Mr. Fleming has brought in some fine young men. I presume they come from Toronto. Would you present them, Mr. Fleming.

Mr. FLEMING: Thank you very much, Mr. Chairman. It is very kind of you to recognize these young men. They are students from the three secondary schools in my riding. They are down here on prizes awarded annually by the member with a view to stimulating interest in public affairs in the student body of our secondary schools. They are in turn Garry Cooper, who represents Lawrence Park Collegiate Institute; Donald Drynan, Northern Vocational School; Barry Curtis, North Toronto Collegiate. I need not tell you, Mr. Chairman, the schools they represent are the three finest in Canada.

The CHAIRMAN: That is very good and I believe it would be in order to present the Minister of External Affairs, the Honourable Mr. Pearson, no doubt you young men know him. I will also mention Mr. Coldwell, Mr. Bater, Mr. Diefenbaker, Mr. Quelch, Mr. Macnaughton, Mr. Gauthier, Mr. Kirk, and Mr. MacKenzie.

We have the pleasure of having with us the Honourable Mr. Pearson, the minister, who is here for questioning and he no doubt will have some statements to make.

Mr. DIEFENBAKER: I would like to ask the minister a question arising out of the discussion the other day with the Minister of Justice in connection with certain alleged remarks made in China by Mr. Endicott. What has been done to investigate those remarks which, if he is correctly reported, are far and beyond those that constitute expression of free speech. They are, in my opinion, most dangerous to the peace of the east. I would like to know what has been done towards investigation of the authenticity of these remarks credited to Mr. Endicott. I would like to know, too, the basis upon which passports are issued to him, when his last passport was issued, whether it was realized at the time the passport was issued that he intended to go to China, and also in general something regarding the issue of passports for those who desire to go behind the Iron Curtain.

Furthermore, how many Canadians have gone behind the Iron Curtain in the last year, as revealed by their reports on their return home to Canada. I feel that some consideration should be given to this question. It is one that has its difficulties but I know a large body of Canadians would like to know why it is that some people can go abroad and make statements so dangerous to the public itself, and so untruthful if correctly reported, and yet they remain free from anything other than possibly a general feeling of misapprobation on the part of the public.

Hon. Mr. PEARSON: That part of Mr. Diefenbaker's question concerned with the legal action which might be taken against Mr. Endicott because of any statements that he has made is of course within the jurisdiction of the Department of Justice. I understand they are looking into the legal significance of what he is reported to have said and which, I have no reason to doubt he did say.

I cannot give any opinion on that question as a legal question, but the other aspect of Mr. Diefenbaker's question is of course very much within the responsibility of the Department of External Affairs—the issue of a passport to Mr. Endicott and people like him; and the significance of his possession of a passport.

You will recall, Mr. Chairman, that this question came up last year and that there was a pretty thorough discussion of our practice in the department in regard to the issue of passports. At that time it was explained, as the committee knows, that passports are issued to Canadian citizens at the discretion of the Canadian government, which discretion is exercised by the Secretary of State for External Affairs. The passports so issued are endorsed "This passport is the property of the Canadian government", so it is clear that discretion in the issue of passports extends to the impounding or cancellation of passports.

Mr. DIEFENBAKER: Have there been any cancellations or impounding of passports in the last year?

Hon. Mr. PEARSON: Not that I know of. That discretion of impounding or cancellation has over the years in our own country and other commonwealth countries been very rarely exercised. It remains true, however, that no Canadian citizen is entitled to a passport as of right. Nevertheless, we have adhered to the international practice which has grown up over the years of issuing passports to all persons who can establish their citizenship and their right to a possession of that document.

The possession of a passport, of course, does not confer any right to enter a foreign country, except where some special international agreement may exist to that effect. Entry into a foreign country is not determined by possession of a passport from your own country, but rather of a visa from the other country.

Mr. GRAYDON: Endicott would not have very much trouble getting a visa?

Hon. Mr. PEARSON: Not for some countries. He would, however, have a great deal of trouble getting a visa for other countries, I hope.

Mr. DIEFENBAKER: Those two words "I hope" would perhaps change that statement.

Hon. Mr. PEARSON: I am sure that there are some countries which would not issue a visa to Mr. Endicott under any circumstances. There are other countries which would be delighted to have him appear.

Now, the fact that he has or has not a passport would not prevent him going to those countries that desired to have him. It would not affect his entry into the U.S.S.R. He could go there without a passport.

I must confess I share the feeling of other people—I am trying to think of a strong enough word but I cannot think of one about what he has been saying in China and other communist countries. The fact that he has been using this language and taking this attitude, it has been suggested, would justify our refusal to re-admit him to Canada—but we cannot do that under the law.

Mr. GRAYDON: Yes, you could. You could revoke his citizenship and stop him from coming back.

Hon. Mr. PEARSON: Under the law—

Mr. FLEMING: He is Canadian born?

Hon. Mr. PEARSON: As a Canadian born citizen we cannot revoke his citizenship.

Mr. GRAYDON: Under these circumstances?

Hon. Mr. PEARSON: Not under these circumstances. As I understand the law, we cannot revoke his Canadian citizenship—

Mr. FLEMING: If he is Canadian born?

Hon. Mr. PEARSON: If he is Canadian born. If he was a naturalized Canadian citizen we could.

Mr. GRAYDON: Was he not born in China?

Hon. Mr. PEARSON: Yes, I think he was but he is a Canadian citizen not by virtue of naturalization but either by virtue of birth here or the fact that his parents were Canadian born citizens. He is certainly not a naturalized Canadian citizen.

Under those circumstances, I am advised, we cannot refuse his re-admission to Canada—much as we might like to do so—in order to encourage him to remain where he seems to be happier.

Mr. FLEMING: And most at home?

Hon. Mr. PEARSON: And most at home.

Mr. DIEFENBAKER: In so far as the statements are concerned, which the minister says he has reason to believe were made, does not the use of such expressions constitute an offence under the amendments passed last year? There must be some co-operation between the minister's department and the Department of Justice?

Hon. Mr. PEARSON: There is to this extent. We have been in touch with the Department of Justice and brought the matter to their attention. They, of course, had been aware of it, and they are looking into the question of his responsibility under the statute—if he made the statements that he is alleged to have made. He will be back in Canada shortly and I think he is presiding soon over a "peace" meeting in Massey Hall in Toronto.

Mr. MacKENZIE: Is there any way of authenticating what he is supposed to have said?

Hon. Mr. PEARSON: We cannot authenticate what he has said in Peking or Korea.

Mr. MacKENZIE: There is no record of it?

Hon. Mr. PEARSON: We only have the record that we get from the press.

Mr. DIEFENBAKER: Well, if people are accused of making statements like that they say: Well, I was misreported.

Hon. Mr. PEARSON: We are hoping to make the attempt and, as soon as we are in position to get in touch with Mr. Endicott we will try to find out what he did say. In view of what he has said in the past, and he has not denied it but has boasted about it, we have no reason to believe the statements are not quite accurate, but we would have to check on them.

Mr. QUELCH: Has there been anything done about the pamphlet that has been circulated called "We Accuse". I think it is one of the most vicious documents I have ever seen. The charges are against the United Nations and us—charges of organized atrocities committed under supervision of officers.

The CHAIRMAN: That would come under the Department of Justice.

Mr. DIEFENBAKER: The difficulty is—and I asked Mr. Garson to look into this—that he is having the Mounted Police investigate. They are not very effective over there and surely it would be the Department of External Affairs who would be able to use whatever available contacts there are in those places to find out the facts. The statement made by the Minister of Justice was not very helpful, to say the least.

Hon. Mr. PEARSON: We have no way in which we can check on Mr. Endicott's activities or words spoken in communist countries—except in so far as we have representatives in those countries. We have had reports from our embassy in Moscow as to what he is reported to have said in Pravda. In Moscow, where we have a mission, the diplomatic reports we receive indicate

what Mr. Endicott is reported to have said in Pravda. When Mr. Endicott comes back to Canada, which will be shortly I hope, we will give him a chance to deny them and, if he does not take that opportunity, we will accept the fact they are accurate reports of what he did say.

Mr. GRAYDON: What will you do if he says the statements he made are the same as those reported in the press?

Hon. Mr. PEARSON: He happens to be a Canadian citizen and has the same rights and responsibilities as other Canadian citizens; and if he has broken the law of Canada I should think he will suffer the consequences.

Mr. DIEFENBAKER: When did he get that passport?

Hon. Mr. PEARSON: The date will be in the passport records.

Mr. BATER: Concerning the issuance of a passport, is it strictly to give permission to a citizen to leave our country or is it to identify him in other countries, or is it a combination of them both?

Hon. Mr. PEARSON: It is a certificate of identification as a Canadian citizen, which in the case of loyal Canadian citizens is of assistance in their travel in foreign countries; but you do not need a Canadian passport to leave Canada.

Mr. DIEFENBAKER: If a person is going to leave Canada for China, and if he goes by air and his plane lands on a British possession, does he not require a passport there?

Hon. Mr. PEARSON: Not if he can provide evidence that he is a Canadian. There are a good many Canadians travelling without passports: some who are travelling all the time between Canada and the United States and even between Canada and Great Britain. I have gone to Great Britain myself without a passport—that was before I had any official position. It is not essential to have a passport.

Mr. DIEFENBAKER: Suppose a person goes to China by way of the ordinary air lines and he lands in Honolulu. Does he not have to have some identification?

Hon. Mr. PEARSON: If he is in transit he would have to have some identification but he would not have to have a passport to touch down at Honolulu.

Mr. DIEFENBAKER: They require it of members of parliament?

Hon. Mr. PEARSON: What he would have to have would be a transit visa before he could be assured of being allowed to proceed from Honolulu to China. It is inconceivable that the Americans would give a transit visa to a man like this. Of course, it would be possible for anybody without identification or without a transit visa or without a passport to leave Canada on a ship and go to Russia—for instance on a Polish ship.

Mr. COLDWELL: Does not the transportation company require some documentary evidence that you will be admitted to the country of destination? I have had requests from British subjects, Canadian citizens in Canada, who have asked me to get passports expedited in order that they might leave Canada for Great Britain—because the ticket will not be issued by the Canadian Pacific or the Canadian National Railways in Regina or Saskatoon?

Mr. MACKENZIE: Is it not true that when you get a passport issued to you the places you are going to visit are marked on the passport? That is, if you are going to go to Britain that must be written on the passport. If you want to go to other places you have difficulty.

Mr. GRAYDON: You can take a passport for all countries.

Mr. MACKENZIE: A blanket passport?

Hon. Mr. PEARSON: Yes, you can get your passport endorsed, as is done in the normal case, for all countries. When this matter came up last year I said:

"The mere refusal of passports to Canadian citizens mentioned in the recommendation, and withdrawal or invalidation of the travel documents already held by such persons, would not prevent these persons from visiting iron curtain countries, as they could leave Canada on direct transportation facilities or acquire a travel document from the country which had a particular interest in their visit. Although Canadian citizens returning to Canada without Canadian passports might experience some delay on arrival at Canadian ports of entry, they would not be inadmissible because they did not hold Canadian passports; they would merely have to identify themselves satisfactorily as Canadian citizens, and then we would have to admit them or re-admit them."

Mr. DIEFENBAKER: Was there not a review of the whole passport situation?

Hon. Mr. PEARSON: Yes.

Mr. DIEFENBAKER: What happened?

Hon. Mr. PEARSON: I think the administrative changes were announced. The steps which we took as a result of that review were aimed to check to some extent at least on the travel of Canadians to iron curtain countries, the only countries which we are concerned in this discussion. This notice is sent to all travellers who apply for passports to iron curtain countries.

"Owing to difficulties which may be encountered by Canadian travellers abroad, holders of Canadian passports who intend to visit Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Roumania, and Soviet Zone of Occupation in Germany or the Union of Soviet Socialist Republics are required before undertaking such visits to notify the Passport Officer, 38 Bank Street, Ottawa, or the nearest Canadian diplomatic or consular officer abroad of their travel plans and of the length and purpose of their visits.

"On arrival in any of the countries named, Canadian travellers are required to furnish to the nearest Canadian or United Kingdom diplomatic or consular officer particulars of their passports and home addresses together with details of their itineraries. They should keep in close touch with the appropriate Canadian or United Kingdom officers—that is in countries where there are no Canadian diplomatic officers—and on leaving the country should notify the officer to whom they last reported".

Mr. DIEFENBAKER: Did Mr. Endicott do what is required to be done there?

Hon. Mr. PEARSON: I understand that he called at the embassy in Moscow and explained the purpose of his visit.

Mr. DIEFENBAKER: Did he go by way of Moscow?

Mr. MacKENZIE: Not this time.

Hon. Mr. PEARSON: I am informed that when he was in Moscow he reported at the embassy on arrival and he reported at the embassy on departure as required by this notice.

Mr. GRAYDON: But as I understand it you have not included red China in your countries?

Hon. Mr. PEARSON: We recognize the Chinese national government in Formosa, and that is not one of the countries to which this obligation attaches. We do not recognize the Chinese government in Peking at all.

Mr. GRAYDON: He slipped into red China and it is not a country covered by the regulations at all.

Mr. COLDWELL: I do not think we can deny passport to Canadian citizens if they want to leave the country. It seems to me that the law has been altered

and if they have committed actions that bring them outside the regulations they are open to prosecution on return. It is a matter for the legal department—the Department of Justice.

Hon. Mr. PEARSON: That is true but we can, under the law and under the regulations, impound Canadian passports and I can assure you, so far as I am concerned, that when this man returns and we are in a position to investigate directly the authenticity of the reports of what he has said, the question of impounding or withdrawing his passport will be considered.

Mr. COLDWELL: But he can leave the country without it.

Hon. Mr. PEARSON: Yes, but we would not have participated in his departure by allowing him to carry a passport.

Mr. DIEFENBAKER: I realize all the difficulties in the matter of great martyrs, but the statement made by him is one of the most damnable statements anybody ever made about Canadians, the United Nations and Canadians in the United Nations, and unchallenged it becomes very effective as propaganda. Mere denial such as has been made in a perfunctory way that these things are not true does not answer the cumulative effect of the statement.

Mr. MACKENZIE: Why not get Endicott down here when he comes back from Toronto.

Mr. NACNAUGHTON: It seems to me that the place to tackle this is in the House of Commons. Even the Department of External Affairs is subject to the laws of the country. We can change the law but it is not right to say that External Affairs should do more than the law permits. I think we should carry our own bag of tricks.

Mr. GRAYDON: Why could we not quarantine these people. We have quarantined the people in Saskatchewan in an area of several hundred miles—

Mr. COLDWELL: But that was for foot and mouth disease?

Mr. GRAYDON: I think that we could apply the foot and mouth regulations to some of these people who go overseas on these suspicious missions. If the law is not tight enough should it not be tightened so that we can quarantine these people?

I agree with Mr. Diefenbaker when he says that these things are not only dangerous outside but I am going to tell you, Mr. Chairman, that there are a lot of people in Canada who are at the boiling point over some of these statements made by so-called Canadians going behind the Iron Curtain, statements which are damaging to our own loyal people here. It is not right. I think if the law is so loose that there is no quarantine on these people the law ought to be changed and I think we should not be too long doing it.

Mr. COLDWELL: Who would you quarantine?

Mr. GRAYDON: We know that Endicott has been going over behind the Iron Curtain for years. On every trip there has been trouble but we still let him go. This is the worst of them all.

Mr. COLDWELL: I thought you meant within the country.

Mr. GRAYDON: I am not going to worry too much about what he does here but when these things happen over there they can be dangerous and damaging.

Mr. COLDWELL: What you are faced with is the principle of freedom of speech and civil rights. I think the law as it stands today is sufficiently strong to deal with questions of this sort if the statements were made.

Mr. DIEFENBAKER: The law as changed last year is not effective—

Mr. COLDWELL: You cannot do anything with Endicott until he comes back to Canada and the thing is to take action when the Department of Justice decides that the statements as reported are the statements that he actually made. Then you can deal with him.

Mr. DIEFENBAKER: You cannot try a man by innuendo or suspicion or reports in the press and that is why I am asking about the truth of the statement, the poison having been spread abroad.

Hon. Mr. PEARSON: When he comes back we hope to investigate his remarks. As far as those remarks are concerned, I agree with everything that Mr. Diefenbaker has said. They are of a damnable character but, so far as quarantining people is concerned, we have to do that under the law. There are various forms of restriction which none of us would like to see in this country.

Mr. COLDWELL: While discussing passports, I have had a number of letters and telegrams regarding the refusal of the passport people to issue a visa to a lady known as Madame Isabelle Blume, a member of the Belgian parliament. I made inquiries of the Belgian embassy and they informed me that Madame Blume was expelled from the socialist party in Belgium and I understand it was on those grounds the visa was refused.

Hon. Mr. PEARSON: We have had a great deal of correspondence on this case and efforts have been made by certain people, for their own purposes, which did not commend themselves to us, to make a martyr of this person through our refusal to admit her to Canada. The decision as to admission to Canada of any individual does not come under the Department of External Affairs. It comes under the Minister of Citizenship and Immigration. I speak here of the issue of a visa for admission to Canada.

We know about this case, of course, and it is true that Mrs. Isabelle Blume, was, for many years, a member of the socialist party in Belgium and a member of the Belgian parliament. It is also true, and this is omitted in references to this case by those who write to us and talk so much in the press about it, that she was expelled from the socialist party of Belgium.

Mr. COLDWELL: That is right.

Hon. Mr. PEARSON: There is no doubt she is actively concerned with what I might call many "fellow travelling projects". The circumstances which surrounded her application for visa were also strange, and the visa was refused.

She was coming to Canada not merely to attend this forthcoming Peace Congress in Toronto, which was the purpose that was alleged in her application for a visa, but we understand she was going to make a speaking tour in this country; and in the light of those facts it was decided, by those who had authority—namely the Department of Citizenship and Immigration—to refuse the visa. Our department which was concerned in the international aspect of the matter heartily concurred in the decision.

Mr. MACNAUGHTON: I am a little steamed up about some press reports brought to my attention. I will not say they are about the Department of External Affairs, but they are about Canada bringing pressure on the United States to induce the Korean negotiators to agree to the sending back of war prisoners, even those who do not want to go back. It seems to me this is the place to ask the minister directly whether we have taken any steps, either directly or indirectly towards that end?

Hon. Mr. PEARSON: That is a question which has exercised us as it seems to have exercised you. The reports appeared in the Scripps-Howard papers in the United States in an editorial which bracketed Canada with the United States and the United Kingdom in charging pressure on the United States government to force unwilling prisoners back into communist hands as a result of the Korean armistice arrangement. That editorial in the Scripps-Howard papers, as far as Canada was concerned, was not justified by the facts in any way, shape or form. It was referred to in a great many Canadian papers in critical sense in so far as the department was concerned, and it was used

by the Soviet propaganda people to show that there was a difference of opinion within the United Nations or within the governments participating in the Korean armistice which was being negotiated. They made the most of that report in Soviet propaganda.

It is a pretty serious matter to print reports of that kind. They are bound to be used by unfriendly communist sources and I think it is unfortunate when the reports are not accurate.

In this case there had been discussions, that is in the case of prisoners of war in the Korean armistice negotiations. There have been discussions going on not only between the negotiators in Korea—that is the United States negotiators acting on behalf of the United Nations, and the North Korean and Chinese negotiators—but also between the governments whose forces are participating in the Korean operation.

The United States, who have been acting for the United Nations in this matter, have been keeping us informed of the progress of those negotiations. One of the most difficult questions is that concerned with prisoners of war. With the United States we have been considering what should be done in this matter. The United States asked for our views and we gave them. They were such as would indicate our anxiety that, on the one hand, nothing should be done to force back under communist rule people who had escaped from the communists and had become genuinely anti-communist. We agreed that it would be an impossible situation if we urged people to surrender as part of political warfare, and then, once they surrendered, as part of an armistice agreement we forced them back. I do not think you could justify that position, but it is not quite as simple as that. On the other hand, there is danger that if we carry this attitude too far the communists then might say: We also will send back only those prisoners whom we desire to send back and no others. But we have an obligation to protect our own prisoners and try to get them repatriated. So it is a very complicated and difficult question. All I am concerned with at the moment, in answering your question, is to emphasize the fact that there has been no pressure and no influence of any kind exerted, or attempted by ourselves on the United States to force unwilling prisoners back under communist control. You will agree that to do so would be taking an immoral and impossible position.

At the moment we are discussing with the United States the relationship of the international prisoner of war convention to the whole issue. That has a bearing on this, and also on the question of getting our own prisoners back as quickly as possible. Finally, there is the important question of achieving an armistice arrangement and of bringing the fighting to an end, and of making sure that if the armistice breaks down it will not be the responsibility of the United Nations.

Mr. MACNAUGHTON: I think the story was carried by the Canadian Press.

Mr. BATER: To get back to the passport situation—

Mr. COLDWELL: I understand you expressed anxiety to the United States regarding the slow progress of the negotiations?

Hon. Mr. PEARSON: Yes, we have expressed—I do not know whether I should say “anxiety” because I do not want to reflect on the way these negotiations have been conducted—but we and others including the United States have expressed the desire to get the negotiations completed as quickly and as successfully as possible. There are three obstacles in the way of completing the negotiations; one is the question of prisoners of war, and that is probably one of which involves the most far-reaching difficulties.

Mr. DIEFENBAKER: Did you point out at any time in these discussions that the Geneva Convention setting forth the terms should be followed?

Hon. Mr. PEARSON: No, we did not because we are not sure that the 1949 Geneva Convention, which is not yet in effect, in its full and literal application would not do more harm than good.

Mr. DIEFENBAKER: What is the wording of that Geneva Convention?

Hon. Mr. PEARSON: The clause of the convention which is pertinent to this particular question is clause 7 which reads—but this by the way is not binding on us because it has not been ratified:

“Prisoners of war may in no circumstances renounce in part or in entirety the rights secured to them by the present Convention, and by the special agreements referred to in the foregoing article, if such there be.”

That would prevent or might prevent a prisoner of war saying he did not wish to be repatriated.

Mr. DIEFENBAKER: Would it apply to the United Nations punitive expeditions such as the Korean war?

Hon. Mr. PEARSON: It does not apply technically to this situation because it has not been ratified by those taking part in the negotiations.

Mr. DIEFENBAKER: Even if it had been ratified would it apply to United Nations action?

Hon. Mr. PEARSON: That is probably a legal question which I am not competent to answer at this moment. These men are prisoners; whether they are prisoners of war under the Geneva Convention I would not like to say.

Mr. COLDWELL: Is this a tentative agreement made between nations?

Hon. Mr. PEARSON: Yes, made in 1948 and 1949. We participated and I think at the time we announced that we were going to accept the principles of the convention pending the consideration of certain reservations which were attached to their signatures by the Soviet and other communist states. We did not think it would be wise to ratify the Convention until we cleared up those questions. So it has never been ratified.

Mr. COLDWELL: It reminds me of the discussions on I.R.O. when the Russians were insisting on having nationals returned which was objected to by the western nations, including Canada. We realized they were trying to get some of their nationals back.

Mr. GRAYDON: Does not the Geneva Convention contain any provisions either by way of clarification or interpretation whereby it would apply or would not apply to the United Nations actions such as this?

Hon. Mr. PEARSON: I would have to look that up.

I would like to emphasize at this point the fact that we have been discussing this matter of prisoners with the United States; that the armistice negotiations on this question have reached a very difficult and delicate position; and I would not want to say anything more concerning it than to explain our general position. I would like to add that these discussions with the United States have been completely frank and completely friendly, and I am sure those in the State Department with whom we were talking would be the last persons in the world to say that we were trying to pressurize.

Mr. COLDWELL: It seems to me this convention is in variance with the position taken by the western powers on the refugee matter?

The CHAIRMAN: There was no rhyme nor reason for the Scripps-Howard article?

Hon. Mr. PEARSON: Not at all.

Mr. GRAYDON: The refugee matter was not one of prisoners.

Mr. COLDWELL: But it is the same principle.

The CHAIRMAN: Mr. Bater, you had something to ask on passports?

Mr. BATER: I was going to ask Mr. Pearson whether in connection with the issuance of passports there is any specific time limit?

Hon. Mr. PEARSON: A passport is valid for five years and it can be renewed after five years for a further period of three or four years, I am not sure of the exact time. At the end of the last renewal you have to apply for a new passport. I am also informed that Endicott's passport was issued on the 13th of April, 1949.

Mr. DIEFENBAKER: May I ask another question? How many Canadians who have been in Iron Curtain countries have reported to embassies and the like in the last year?

Hon. Mr. PEARSON: I have not got that information but I would be able to get it for you. I know in Endicott's case he did report and in other cases also, but how many I do not know.

Mr. DIEFENBAKER: If they do not report over there and they come back to Canada, what happens?

Hon. Mr. PEARSON: Then they have not carried out the undertaking they gave when they received the passport and the passport is liable to be impounded.

Mr. DIEFENBAKER: Is there anything said to them, or any communication with them?

Hon. Mr. PEARSON: When they come back?

Mr. DIEFENBAKER: Yes?

Hon. Mr. PEARSON: I will try to get further information on that.

Mr. BATER: Would what Mr. Endicott said in China be a ground, after his return to Canada, for impounding his passport or refusing him another?

Hon. Mr. PEARSON: It might be considered a very good ground.

Mr. FLEMING: I have one question about the case of Madame Blume. It has been represented by the Peace Association in this country that refusal of the visa to Madame Isabelle Blume was done by the Canadian embassy in Brussels. The point I would like to bring out is whether this action was taken by the Canadian embassy on its own authority and initiative in Brussels, or whether that action was taken after consultation with the appropriate department or departments in Ottawa?

Hon. Mr. PEARSON: I understand the application was referred to Ottawa, consideration was given to the application here, and instructions were sent to the visa office in Brussels to refuse it.

Mr. DECORE: What is Canada's attitude to the Genocide convention passed some time ago by the United Nations?

Hon. Mr. PEARSON: That is coming up in the House shortly in the form of a resolution and, if that resolution passes, the government will ratify the convention. The government will support ratification of the convention.

Mr. DECORE: Has the United States Government ratified the convention?

Hon. Mr. PEARSON: I do not think it has. A good many states have. It is on the congressional calendar but I do not think it has been ratified in Washington.

Mr. GRAYDON: May I ask the minister if all these Canadians attending the Soviet Conference in Moscow have reported to the Canadian embassy yet?

Hon. Mr. PEARSON: I do not know. I will try to get that information. This is a pretty recent development and we may not have heard from the embassy yet. Mr. Moran tells me we know that seven have reported to the Canadian embassy in Moscow recently.

Mr. COLDWELL: How many Canadians were there?

Hon. Mr. PEARSON: I saw the list in a Soviet newspaper the other day—seven or eight. There may have been other Canadians in Moscow during the period who were not attending that meeting.

Mr. COLDWELL: Has the Department checked to see if these are bona fide people looking for trade or are they looking for something else?

Mr. MACNAUGHTON: It is impossible to answer that question, Mr. Chairman, because I have been told that some Americans, who are more interested in trade than anything else, have gone to that conference at their own expense. Theoretically, we may think what we like, but actually they may be businessmen in good faith.

Mr. FLEMING: The calling in life of these people would indicate, to some extent, whether they were legitimately on business.

Hon. Mr. PEARSON: A variety of people have attended this meeting in Moscow. When applications for passports are made in this country to attend a meeting of this kind, we have through the police—not through External Affairs—ways of inquiring into the background of the people making the application. There was a mixed bag at this conference in Moscow, of course, and not all of those people who attended did so for unworthy purposes. Some of them I am sure did, but some did not. Some were high minded idealists.

Mr. COLDWELL: Sir John Boyd-Orr.

Hon. Mr. PEARSON: I think he would fall into that category.

Mr. MACNAUGHTON: Several conservatives from England have gone there seeking business.

Mr. FLEMING: Not to the conference—

Mr. MACKENZIE: How does Great Britain handle the ramifications of the Red Dean?

Hon. Mr. PEARSON: They allow him to wander around the world making his speeches and discrediting himself.

Mr. QUELCH: That might be the best policy.

Has any official denial been made against the charges in this pamphlet "We Accuse". It is a charge against Canadians, British, and Americans, that these atrocities have been committed under the authority of officers. It may be said that it should be treated with contempt but I think some action should be taken?

Hon. Mr. PEARSON: I will be glad to look into it. I have not read the pamphlet myself, but I should like very much to see it.

Mr. FLEMING: I would like to ask Mr. Pearson another question in relation to the business of his department coming before the House. He has two motions on the order paper, one is about the pact regarding Genocide, and the other is this matter of the extradition treaty regarding offences in connection with the sale or attempted sale of securities.

May I ask if it is his intention regarding the latter resolution to have it referred to this committee? Otherwise I think we would like to ask some questions on the subject now?

The minister will recall that five years ago when the other extradition matter was up it was referred to this committee and there were some very useful hearings on it. I think this matter might very well be referred to this committee too.

Hon. Mr. PEARSON: This resolution is not being introduced by me but rather by the Minister of Justice. I will talk to him about it.

Mr. FLEMING: Having regard to what happened five years ago I think it should come to this committee.

Hon. Mr. PEARSON: I will be glad to talk to the minister.

Mr. GRAYDON: May I ask about the question of dealing in this committee with the Japanese peace treaty in general? I notice the Minister of Public Works gave formal notice of the resolution and it advanced another stage—this bill with respect to the implementation of the treaty. I notice also that the Senate is going to have a hearing in their appropriate committee in connection with the Japanese peace treaty. I do not know whether you would like to consider a joint meeting with the Senate, I have no fixed views on that, but I do think the Japanese peace treaty is of such an important character and has such a wide number of ramifications that it should come before this committee, and it should not be mixed up with our ordinary estimates because it will be lost in the rush. If it were set for an appropriate time, a day or two, we would have the whole Japanese situation viewed in the committee. I would like to add that to Mr. Fleming's suggestion.

Mr. FLEMING: May I add also that there is a resolution coming forward, I think it is on the order paper now, proposing the enactment of a bill to give the Governor in Council power to do such acts and things as are necessary to implement the undertakings in the treaty. That would provide an appropriate vehicle for reference in this committee.

Hon. Mr. PEARSON: I see no reason why we should not, if the committee so desires, have a special meeting on the Japanese peace treaty or Japanese matters. I would welcome it in that way and I could have people present who are particularly well informed on the subject.

As far as the bill is concerned it is the same kind of bill as was introduced for the treaty with Italy and her satellites, and the same as introduced in 1919 and 1920. It is to give the government power to take action, power which it does not now have, to implement certain formal provisions of the treaty such as the liquidation of Japanese assets.

Mr. FLEMING: A standard form of bill used ever since 1919?

Hon. Mr. PEARSON: Yes.

Mr. GRAYDON: On second reading of the bill, if the minister thought wise, it could be referred to the Standing Committee on External Affairs.

Hon. Mr. PEARSON: I would be quite happy to do it that way and we could use that reference as a means of having a general discussion on Japanese and related questions.

Mr. GRAYDON: May I make one further suggestion for the consideration of the chairman and the minister. There are a number of matters in the Japanese treaty which would come generally under the purview of External Affairs but are actually also being dealt with by other departments of government. I have in mind trade, immigration, and so on. Fisheries, I understand, will be dealt with separately and I have no desire to interfere with that, but I should think when the minister is choosing witnesses to come with him he might have in mind the questions of immigration, trade, and perhaps one or two other matters which have been mentioned. We could examine those people who have some technical knowledge relating to the subject under discussion.

Hon. Mr. PEARSON: I think that would be most desirable and I will try to get the officials concerned in the other departments when the discussion takes place.

The CHAIRMAN: We may be establishing a precedent in connection with the Japanese peace treaty by bringing it back to this committee after it has already been passed by the House of Commons.

Mr. FLEMING: Ratification of the treaty—not this later bill which is coming in.

The CHAIRMAN: The Japanese peace treaty was discussed in the House of Commons and passed there.

Mr. GRAYDON: Yes, but may I point out to you that the Senate did the same thing as we did. They passed the Japanese peace treaty by resolution approving it, and then they referred the subject matter of the resolution—not the resolution itself but the subject matter of the resolution—to their foreign relations committee, and it is now going to be heard there in the next week or so. I suppose we would not be departing from precedent if we did something similar. It gives us a chance, however, to bring it before the External Affairs Committee.

The CHAIRMAN: I have no objection to the peace treaty coming before the committee, but I believe the proper procedure would be for it to be sent here before passage in the House. There may be some objection on that score. You mention the fact that the Senate is sitting in on the Japanese peace treaty matter and that might be one way of having it dealt with—a joint meeting with the Senate and the members of this committee.

Mr. COLDWELL: I was going to say that if the Senate is going to have a hearing it would save the time of the minister and the officials to have a joint meeting.

Mr. GRAYDON: Yes, and from a practical point of view we would get out of this dark 'hole-of-Calcutta' where we have been sitting for so many meetings. We would be at least invited to the Senate side where we would have decent surroundings.

I was going to suggest this yesterday—that the Department of Public Works ought to do something about the light in this very, very dark, dingy, and depressing place.

Mr. COLDWELL: You are getting soft?

Hon. Mr. PEARSON: As far as I am aware when I appear before this committee I am quite oblivious to my surroundings.

Mr. GRAYDON: Including the personal ones.

The CHAIRMAN: I like this room at present because it is just opposite my own office.

Are there any more questions on other subjects?

Mr. FLEMING: Can we turn now to broader questions?

I wonder if the minister would say something about the situations in Germany as it is developing particularly now with the western occupying powers apparently on the eve of completely changing the basis of their relationship with the west German republic?

Mr. COLDWELL: It is a matter that should be referred to the External Affairs Committee before Canada comes to a decision.

Mr. FLEMING: It would have to be part of our review under this item of general administration. I would say that if there is any way you would like to suggest, now that we have the minister here, for dealing with the problems we have for discussion in a more orderly way I would be happy if you would suggest it, Mr. Chairman. In past years we have had the minister and we have had questions from all around the globe—Greece one moment, Formosa the next, and so on. Perhaps we might start with one continent?

The CHAIRMAN: Well, so far the discussion has been very good. Questions have been asked on various problems that have been dealt with and I do not think the minister has had any objection to the way we have been going so far.

Hon. Mr. PEARSON: This question which Mr. Fleming raises is, I suppose, the most important single issue in Europe at the present time and indeed one of the most important issues in the world. The policy of the western powers towards Germany in recent years, as expressed largely through the North Atlantic Treaty Organization, has been to take the steps necessary and desirable to associate Germany with the defence of western Europe by associating her with NATO in some form short of full membership, which is impracticable at the present time.

This in turn requires some modification of the existing occupation regime in western Germany—we have no control over the rest of Germany. It is impossible to invite German association with the defence of western Europe through NATO, and not replace the occupation statute by some form of peace contract on the other. These two moves have been going on. Now, at the Lisbon meeting we approved certain developments in regard to the European defence community and German participation in it.

We also approved a form of association between the European defence community, if and when it comes into being, and NATO. I have already mentioned this in the House of Commons. Once the treaty establishing the European defence community is ratified the North Atlantic Treaty Organization will extend through a protocol, if this protocol is accepted by the members of the organization, a guarantee in respect of the European defence community. In return, the European defence community in its treaty will accept certain obligations in respect of the defence of the North Atlantic Treaty countries. The two organizations will also be brought in contact with each other in an organic way.

It is all, of course, conditional upon the European defence community being set up. The way it would be done would be by joint meetings of the two organizations, as well as by the acceptance of reciprocal guarantees. The joint meetings could, under certain circumstances, be called by any one member of either organization.

In effect this means that the German republic, because she would be the only member of the European defence community, not a member of NATO, would be in association with NATO and there would be joint meetings at which the German republic would be presumably represented. That in itself is a very important development and I think a very useful development; but it is predicated of course on the substitution for the existing occupation of some kind of peace contract—and that has been in the process of negotiation for something over a year.

Mr. COLDWELL: Can you tell us the significance of the unilateral action of the British government in relation to this question?

Hon. Mr. PEARSON: It reinforces the general guarantee that the United Kingdom would come as a member of NATO to the aid of the European defence community. It reinforces it by a specific guarantee of the type that the United Kingdom has accepted already in respect of the Brussels powers. It strengthens the guarantee of assistance from the United Kingdom and as such helps to remove some of the hesitation other European countries might have over the closer association of Germany with western Europe. They are worried in Europe that, with Germany coming into this relationship, the United Kingdom might withdraw further from the continent or, indeed, the United States. This recent move by the United Kingdom government is a further step to remove those worries.

Mr. COLDWELL: It is purely apart from NATO?

Hon. Mr. PEARSON: Purely apart from NATO. The NATO guarantee of western Germany has not come into effect and it is dependent upon the European defence community coming into existence. The British guarantee comes into effect at once.

Mr. FLEMING: It goes further territorially.

Hon. Mr. PEARSON: It goes a little further. This development has been running parallel with the negotiation of—not a German peace treaty because that will have to be reserved until such time as there can be a treaty covering Germany to which all belligerents would subscribe—but of a peace contract with the German Federal republic. There have been long and difficult discussions over this. These discussions should come to a conclusion soon and it is hoped that a peace contract will be signed in a matter of a month or so.

Mr. COLDWELL: To what extent can you rely on the support of the German people?

Hon. Mr. PEARSON: I would like to come to that a little later. The contract would give Germany substantial control of its own affairs. It is to provide for a German defence contribution to NATO; also there will be certain limitations on German arms production—limitations which the German government would accept. The contract would in effect give the German government substantially that measure of independence which a German peace treaty would have given a unified German government if it had been possible to set one up.

Mr. DECORE: What would be the limitation on the size of the army?

Hon. Mr. PEARSON: The limitation on the size of the army would operate in various ways. I am not sure that I have all the details of this absolutely correct, because it is difficult to keep them in mind. A German defence budget would be laid down and part of that would be used for the maintenance of the North Atlantic Treaty Organization forces in Germany and part for building up German defence forces.

Now, the amount available for that last purpose would be such as to make it impossible, even if the Germans decided and the rest of us desired, to build up enormous forces. There would not be enough money available. A limitation would be established in another way. The German forces for the defence of Europe would be integrated into the European army.

Mr. COLDWELL: Would they be independent forces?

Hon. Mr. PEARSON: No, there would be no German general staff organization, no German Wehrmacht, but there would be German contingents as part of the European defence army integrated with the French, Italian, Dutch, Belgium, and Luxembourg forces. That European defence army itself would be part of the NATO army under the NATO commander—at present, General Eisenhower. In this integration, I think this is all public knowledge, but perhaps if I am giving away secrets my assistants will tap me on the shoulder—

Mr. GRAYDON: Or knock you on the head—

Hon. Mr. PEARSON: The maximum German formation for integration into the European defence army would be a division of twelve thousand to fourteen thousand men. This division would serve in the European defence army not as part of the German army but mixed up with divisions from other countries. That in itself is a limitation on the build-up of German armed strength and determines the form of German strength.

Mr. COLDWELL: In a sense almost like the old fashioned mercenary army within another army?

Hon. Mr. PEARSON: They would not like to be called mercenary contingents. The purpose is to strengthen the European idea and also remove the fear that there will be a great revival of German militarism or German armed strength under German control rather than under European control.

Mr. COLDWELL: Has there been any screening of the officers to make sure there are not any former Nazis? The Russians have offered to take Nazis?

Mr. GRAYDON: It is a bit of a strain on the machine to have one foot on the accelerator and one on the brake?

Hon. Mr. PEARSON: I do not know about that, but I would hope this would work out very well. General Eisenhower, a military expert, has expressed himself as being heartily in favour of this on practical grounds. A European defence army constituted in that way would be controlled by the European defence community through the agencies of the community. There will be a European assembly; there will be a council of ministers; there will be an executive; those will be European agencies—

Mr. COLDWELL: Will Germany be represented?

Hon. Mr. PEARSON: Germany will be represented in those agencies.

Mr. COLDWELL: On equal footing?

Hon. Mr. PEARSON: They have been working out an organizational system by which there will be some kind of reconciliation of legal equality and practical inequality. It will be done by a system of weighted voting and unequal membership. The assembly will have 21 German members, 21 French members, 21 Italian members, 10 from Belgium, 10 from The Netherlands, and 4 from Luxembourg. The kind of organization that is to be developed, will recognize equal rights for every country, but also that some countries have to play a bigger part than others. In the actual council of ministers which is to consist of 6 members, one from each country, there is provision for a deadlock—if there are three on one side and three on the other side of a vote. The provision is that if three represented two-thirds of the financial and manpower contribution to the European army they would carry the decision. There are also some questions which have to be carried unanimously.

Mr. DECORE: Is there any indication this would meet with the approval of the German people, apart from Adenauer?

Hon. Mr. PEARSON: That brings up the question of whether the peace contract or European Defence Treaty is likely to be put into effect. Even if these treaties are to be signed sometime in May that does not mean that they will be ratified by the legislatures. The present west German government under chancellor Adenauer is favourable to this policy and he has carried his legislature at Bonn with him. There have been recent local elections in Germany—in the last few months—where the strength of Adenauer has been pretty well maintained. On the other hand it should be pointed out that the strongest opposition—that of the socialist under Schumacher—to this development is not to its ultimate objectives so much as to the procedure that has been adopted. There are people in Germany who are represented by this socialist party who feel that before Germany is integrated with western Europe or associated with western Europe she should be united and given the right to do what she likes—and after that she can choose this kind of relationship.

Now, that feeling is understandable because I suppose in German minds the thing that troubles most at the present time is the disunity of their country. To German minds this alternative procedure of unity first must make a very considerable appeal and the Russians, of course, have been exploiting that appeal notably in their note of March 10 when they made the proposal that

there should be a German peace treaty, that a united Germany should be given power to develop her own national forces with the only limitation after that is done that she should not join any western alliance.

Mr. QUELCH: What has been the reaction of that proposal on western Germany? Has it encouraged them to insist on a Germany army under a German general staff?

Hon. Mr. PEARSON: So far the German government has shown no disposition to delay the conclusion of this peace contract. Indeed, the position taken by Chancellor Adenauer has been that unity must come, that it must be the essential object of German policy, but that it should not prevent the association of western Germany with the European defence community—that they should go ahead and sign the peace contract and then work for the unification of Germany.

Mr. DECORE: Do you think this Russian proposal is sincere or is it propaganda?

Hon. Mr. PEARSON: I always keep my fingers crossed about any Russian proposal. At the same time, I think it would be unwise, and this is the view taken in Washington, London, and Paris, to dismiss this kind of proposal as being obviously unworthy of consideration.

What the three powers did in reply to the Russian proposal was to ask for a further elucidation of it, particularly the part setting out the establishment of an all-German government. What do the Russians mean by "free elections"? That is the kind of question the three powers have asked the Russians. While they are trying to clear those matters up they can proceed with E.P.C. and the peace contract. I think that is the proper line to take. I think it would be very wrong to dismiss cavalierly and out of hand Russian proposals of this kind. To do that would for one thing have a bad effect on German public opinion.

We must admit that German public opinion at the present time is more concerned with a unified Germany than any other single thing. That is the greatest appeal the Russians can make and when they say: we will have a peace conference at once and we will have free elections in all Germany, on the surface that has tremendous appeal. What we must do is find out what the Russians mean by "free elections".

Mr. GRAYDON: What the catch is.

Mr. DECORE: What if the Russians cleared that up. What would be the position of the western powers?

Hon. Mr. PEARSON: It might be they would take up the proposal made at the United Nations Assembly, and find out whether conditions exist in Germany for free elections and how they could be conducted.

If all these doubts were removed about the genuineness and the practicability of the Russian proposal, and if some procedure could be devised for elections in Germany which would establish a free German government, that would be something we might have to proceed with; but by that time I would hope that the peace contract would have been signed and a German federal government association would have been established with the west. Then the elections would proceed on the basis of western Germany's prior association with NATO.

Mr. COLDWELL: Elections have been announced in Germany?

Hon. Mr. PEARSON: Yes, for next year.

Mr. COLDWELL: If we are not carrying the German people with us in this proposal we would be just deceiving ourselves temporarily.

Hon. Mr. PEARSON: That might be, but we are already dealing with a German government elected by the German people at a free election; in the

way we elect governments in this country. We cannot deal with any other German government. This freely elected German government has staked its political future on the procedure we are following and, surely, it would be unwise to tell Chancellor Adenauer: We are going to drop this and work out some other procedure with the Russians; we are a little worried about dealing with you any longer because we might be disappointed at the next election.

Mr. COLDWELL: My question was prompted by your statement that the Russian proposal had a very strong appeal to the German people.

Hon. Mr. PEARSON: I did not mean to suggest that in pressing ahead with the peace contract and the European defence community and German association with NATO we should not press ahead also with any practical proposal to help Germans unify their country. The two must go together but if we sacrifice one for the other we will lose the German people.

Mr. COLDWELL: The recent elections have been held in areas rather favourable to Adenauer.

Hon. Mr. PEARSON: In Bavaria.

Mr. FLEMING: There has been a definite reversal of the trend that seemed to be evident a year ago—which was against him.

Mr. COLDWELL: In some other areas you might find a different story.

Hon. Mr. PEARSON: I would suggest that the foundation of our policy—and by “our” I mean the western powers, the NATO powers—should be appreciation and understanding of the German desire for unity. We must do everything we can to bring about a unified Germany, unified on a basis which will make absolutely certain that the German people will choose the kind of government they want. If that is done, we would hope that kind of united Germany would accept the decision which we hope will be made in the next month or so by the German federal republic in associating itself with NATO in the defence of western Europe.

Mr. FLEMING: There is one thing in this matter about which I might ask Mr. Pearson to deal in more detail. He has included the progression from occupation to limited occupation and then to the preliminary peace contract but what concerns us most in this country, as one of the NATO countries, is the extent to which Canada has been kept informed, and how has she expressed herself in relation to the steps that have been taken by the three occupying countries as such in this progression?

Hon. Mr. PEARSON: We have of course taken the position from the beginning, along with other countries, that in any negotiations leading to a peace treaty, and at any peace conference, we must have full rights of representation as one of the countries at war with Germany. We must have the right to participate in making a peace treaty with Germany. At the moment we recognize, and have for some time, that that kind of peace negotiation is not possible as long as the Russian position remains as it has been.

Therefore, we have not objected in any way to, if I may call them that, the subsidiary negotiations for a peace contract which would be signed by the three occupying powers and by the federal government in Germany, but which would not be signed by other countries which had been at war with Germany. We have not objected to that, nor have we any right to object to it. We thought it was something obviously desirable. Nevertheless we expressed the view that we should be kept informed of the various steps in the negotiation of the peace contract. We have been kept so informed.

We have no complaint. We have been kept fully informed of the discussions and the negotiations by London, Washington, and Paris. We have had opportunity to express our views on any issue that may have arisen during the discussions. We have done so in many cases and we have no complaint about the

reception those views were given. We have had little reason to complain about any of those steps or of the clauses in the present draft. On one or two occasions we have suggested changes which have been made.

Mr. FLEMING: Would it be fair to conclude then that what has been done by the occupying western powers has met with the approval of the Canadian government, step by step?

Hon. Mr. PEARSON: I think in general that is true. That would apply also to the Japanese peace treaty which we signed. If we had had our way, however, we would have made a few changes in the Japanese peace treaty as it has now been ratified. Similarly, if we had our way we would make a change or two in the peace contract in the form in which it now stands. But I am quite willing to say we approve generally of the last draft of the peace contract which we have seen.

Mr. FLEMING: Would it be fair to ask in what respects the Canadian government's view differs from the contract as now drafted?

Hon. Mr. PEARSON: I would be a little embarrassed in answering that. They are on the verge of completing the peace contract, but there are two or three outstanding points that remain to be settled and to which changes have been proposed. The people trying to make those changes might use my public statement in the negotiations.

Mr. FLEMING: We might come back to that at a later meeting?

Hon. Mr. PEARSON: Yes, this contract may be signed within a few weeks.

Mr. GRAYDON: May I ask the minister this: We are in a different position of course in connection with the German peace contract than we were in the Japanese peace treaty because we are not going to be a signatory to the German peace contract?

Hon. Mr. PEARSON: We will, to the German peace treaty.

Mr. GRAYDON: Yes, but that will come only when there is a unified Germany able to sign it. If we have gone so far now in unique peace treaties that a vanquished nation can sign a peace treaty with some of its past opponents, perhaps some of its past opponents will be able to sign a peace treaty with part of a vanquished nation. My point is: just where do we stand now with respect to our Canadian relationship with Germany, once the peace contract is signed? Are any of our present relationships disturbed or extended or reduced? What I have in mind is this: some time ago we declared that a state of war between Canada and Germany had come to an end. Once the three powers sign this contract, does it change in any way our relationship with the western nations as a whole?

Hon. Mr. PEARSON: Yes, it could change our relationship to some extent. We have, as you know, an embassy at Bonn with an ambassador accredited to the German Federal Republic, and he deals with that government in the normal way that an ambassador would, but subject to the limitations of the occupation; in other words, a good many of his dealings have to be carried on through the High Commission of the occupying authorities, and he is not able to take them up directly with the German government at all. He must go instead to the occupying authorities. If and when the peace contract is signed and made public, you will see that it gives Germany a very great measure of control over all its affairs and therefore some of the things which Mr. Davis in Bonn now has to take up through the occupying authorities, will be taken up by him directly with the German government. His relationship with the German government will be more important and more direct than it is now.

Mr. GRAYDON: Outside of the procedural change, would this make any difference in the German relationship with Canada compared to what it was formerly?

Hon. Mr. PEARSON: It is more than a procedural change. One of the first results of the peace contract would be the setting up of a German foreign office with a foreign minister.

Mr. GRAYDON: But that is still procedural.

Hon. Mr. PEARSON: Well!

Mr. MACNAUGHTON: And what is the difference?

Hon. Mr. PEARSON: What have you in mind as to the kind of change?

Mr. GRAYDON: Our relationships with Japan are being set out in the treaty, Japan is being admitted so far as Canada is concerned into ordinary international relationships, ordinary international society with peace again. And we went to considerable trouble in establishing the new relationship. Now we are not establishing any new relationship with Germany as I see it except as done by the signatories, the three other countries, with Canada taking no part whatsoever as far as a formal signatory is concerned. So I am wondering whether if the peace contract between west Germany republic and the three leading powers contains certain privileges, certain rights reciprocally, or reciprocal agreements which would normally apply to the relationship between Canada and the west German republic, even though there has been no contract signed between the two countries.

Hon. Mr. PEARSON: Yes, I see that point; it is quite an important point; I cannot reply off-hand. I would like to have a look at the terms of the contract, and give you a more precise answer as to their relationship to us, when it is signed.

Mr. BATER: Perhaps the hon. Mr. Pearson could not answer my question at this moment, but I would like to ask him if, at the present time he had any information concerning what is taking place in connection with eastern Germany as far as building up her military strength is concerned?

Hon. Mr. PEARSON: Yes, and one of the circumstances which lead to the policy of associating the federal republic with the defence of Europe with the knowledge that in the eastern part of Germany under communist control there has been built up a Germany military organization—I forget what it is called—which might have constituted quite a threat to the rest of Germany. I remember, when this question first came up at the NATO council saying at that time: it seems to me that it is not so much a question of whether we will permit Germany to re-arm or not as to whether we will permit one part of Germany not to be armed in the face of the communist part of Germany being re-armed. I must add, however, that while this German military force has been built up in eastern Germany under Russian control, and no doubt under Russian direction, so we have not had any information that it has grown to any great extent lately; it is a sort of nucleus force.

Mr. COLDWELL: It is ostensibly a police force.

Hon. Mr. PEARSON: Yes, it is ostensibly a police force, but it might be described as being like the skeleton Germany army after the first war, that is, something on which a larger German army can be imposed. It has not developed much, so far as I know, from those basic formations in the last year; but it is there and it is under complete communist control. It is comparatively well armed and the communists appear to have shown no reluctance to use in the formation nazi generals, colonels, and soldiers providing they will accept the new state of affairs.

Mr. COLDWELL: Have you any idea of the strength of this eastern army?

Hon. Mr. PEARSON: I have seen various reports of the strength but I do not know whether I would like to have them put on the record because I am not sure how accurate they are.

Mr. COLDWELL: But it is an extensive force?

Hon. Mr. PEARSON: Quite extensive, yes; but it is more impressive in the quality of the force and in the fact that it is a foundation for a bigger force.

Mr. MACDOUGALL: When the minister speaks of a united Germany, does the minister differentiate between a united Germany or all of Germany?

Hon. Mr. PEARSON: No; by united Germany I mean a union of the east and the west in Germany. I would not like to go any further than that in trying to describe what those boundaries might be.

The CHAIRMAN: It is one o'clock, should we call it a day?

Mr. MACNAUGHTON: I move we adjourn, Mr. Chairman.

The CHAIRMAN: Before we adjourn, might I ask if the members think it would be possible for us to have a meeting next Monday at 4 o'clock?

Mr. MACNAUGHTON: I do not think so. Minority rights.

The CHAIRMAN: I would not like to see Mr. Macnaughton unable to get here. Would it be possible for our vice chairman to preside at our next meeting?

Mr. GRAYDON: I am sorry about Monday, but I have to address the Lions Club at Port Credit in respect to the east and west German peace contract. It is quite important that I do that unless the Minister of External Affairs takes my place, which I am sure they would very much prefer.

Hon. Mr. PEARSON: I cannot do that, but we might write them a little speech.

Mr. GRAYDON: If somebody would take my place, I would be delighted to be here.

The CHAIRMAN: Then could we hold a meeting next Friday instead of Thursday? I mean a week from tomorrow.

Mr. GRAYDON: That would be all right with me.

The CHAIRMAN: Then we will try to get a meeting for next Friday.

Mr. MACDOUGALL: I think it would be an excellent thing to have Mr. Graydon in the chair, when it would give the rest of the people an opportunity to say something.

The CHAIRMAN: Would it be possible for the minister to be here with us next Friday?

Hon. Mr. PEARSON: I should be glad to be with you on Friday. Very well.

The CHAIRMAN: Thank you, Mr. Minister.

1952

HOUSE OF COMMONS

Government
Publications

Sixth Session—Twenty-first Parliament, 1952

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. BRADETTE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

TUESDAY, APRIL 29, 1952

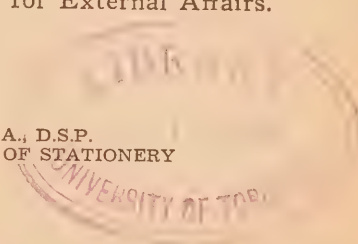
ITEM 85

Main Estimates of the Department of External Affairs—Departmental Administration.

WITNESS:

Hon. L. B. Pearson, Secretary of State for External Affairs.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1952



MINUTES OF PROCEEDINGS

TUESDAY, April 29, 1952.

The Standing Committee on External Affairs met at 11.00 o'clock a.m. this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Bennett, Bradette, Coldwell, Côté (*Matapedia-Matane*), Decore, Fleming, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Higgins, Jutras, Kirk (*Digby-Yarmouth*), MacDougall, MacKenzie, Murray (*Cariboo*), Picard, Quelch, Richard (*Ottawa East*), Riley.

In attendance: Hon. L. B. Pearson, Secretary of State for External Affairs; Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs and Mr. P. Molson of the Department of External Affairs.

Item No. 85—Main Estimates of the Department of External Affairs, was considered.

The questioning of Mr. Pearson was resumed and the examination continuing, at 12.50 o'clock p.m., the Committee adjourned until 11.00 oclock a.m., Friday, May. 2.

E. W. INNES,
Clerk of the Committee.

EVIDENCE

TUESDAY April 29, 1952. 11.00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum now, for which I am very thankful. The minister will proceed.

Hon. Mr. PEARSON (Minister of External Affairs): Mr. Chairman, I have nothing to proceed with but I am here again to try to deal with any general, any political questions that may be asked.

There were a good many points which arose at our last meeting. If you approve I would like to reserve answers to those questions until Friday because one or two others may come up this morning and I can deal with them all on Friday. Perhaps Friday may be my last appearance with the committee because I will myself have no further questions to bring forward. I will, however, be happy to try to deal with any additional questions put by the members.

Mr. FLEMING: May I take up at the point we left off at the last meeting. We have been reviewing the present political problems involved in Europe in connection with the changes about to take place in the status of Germany in relation to the occupation by western powers.

I see in the press that there is not a little fear expressed that the occupying powers may be going a little too fast in relieving Germany of occupation and encouraging Germany in re-armament. I would like to ask the minister to express his views on that question if he will, and to indicate to the committee the safeguards which are going to be applied to avoid the possibility of Germany getting out of hand again—particularly if she is permitted to re-arm.

The suggestion, as the minister knows, is that there should be tight military agreements which would prevent any possibility of an independent German re-armament—that is independent of the western European army—before she is given this impending change in status vis-à-vis the occupying powers.

Hon. Mr. PEARSON: Mr. Chairman, in so far as going ahead too fast on this question is concerned, I would merely like to point out that the question of German re-armament and the association of Germany with the defence of western Europe was first raised in a North Atlantic meeting two years ago. So there has been a good deal of time for consideration of this matter and the working out of appropriate plans.

The desirability of reasonable expedition, in my mind, and in the minds of others, arises out of the fact that it is important to complete satisfactory arrangements for the association of West Germany with NATO and with the European defence community while the question of German unity is being finally settled. That is the policy of the Adenauer government and it is the policy which has been supported by the governments of western Europe, namely that these arrangements with Germany be completed as quickly as possible; and then, on the basis of these arrangements, that German unification may be brought about.

The danger from any re-armament of Germany is obvious. It is probably more obvious to the people who live alongside her in Europe than it is to us, but we have had our own experiences with German armed forces in the last forty years.

There are two proposals that have been made to the Germans for re-armament. One is our—and by "our" I mean that of the NATO powers—proposal by which Germany becomes part of the European defence community

subject to the conditions and restraints that membership in that community would involve. I briefly described that kind of re-armament the other day. Whether that will work out in the long run in a way which will be constructive and not destructive nobody knows. It is a risk we have to take—just as we took a risk in signing the peace treaty with Japan. I think it is a risk that the western powers are well advised to take, especially as another proposal for re-armament has been put forward to the Germans by the U.S.S.R. That was for the re-armament of Germany without restrictions.

If you read the U.S.S.R. note of March 10th, it merely suggests that Germany be allowed to re-arm, not as part of the European defence community, but as Germany. Of course, they do say in this note that a unified Germany must not join any aggressive alliance; but there is no specific restriction on German armaments under that proposal. Of the two I prefer the alternative of the Western Powers.

I hope we will be able to bring about the signing of the European defence community treaty and the peace contract within a reasonable space of time. If it is done, say, by the end of May, I do not think that would be unduly hastening matters—because the terms of those two documents have been under very serious consideration for over a year.

Mr. FLEMING: Mr. Molson, sitting with the minister, will remember that three and a half years ago in Berlin there was pressure even then from the top of the Russians—that they were going to propose complete withdrawal with a view to putting terrific pressure on the western powers. There was to be complete withdrawal of occupation then, and there was a good deal of concern on the part of western nations three and a half years ago lest Russia even in bad faith put forward such a proposal. The effect on the German people would have been beyond exaggeration.

Hon. Mr. PEARSON: The peace contract and the European defence community treaty do not involve withdrawal of American, British, French, or Canadian forces from Germany. Those forces, in so far as the United Kingdom, the United States, and France are concerned, take on a new status. They become part of the NATO integrated force for the defence of Europe and they remain in Germany.

Mr. GRAYDON: Like the situation in Japan in a sense.

Hon. Mr. PEARSON: Yes, but even more so because there will be really only United States forces in Japan apart from those forces operating from bases in Japan for use in Korea. Under the new arrangement with Germany there will be NATO forces in Germany.

Mr. COLDWELL: I agree with the minister that if there is to be some German re-armament it should be integrated with the European army, but I was going to ask this question: Has there been any change in the attitude of the Adenauer government since March 7th? Have there been any discussions indicating that they desire any changes?

Hon. Mr. PEARSON: No, the policy of the Adenauer government, as I understand it, since the date when the Russians presented their note, is that the Russian proposal should be explored. It should not be turned down out of hand, and I think the Adenauer government are wise in their attitude; but it should not be used to postpone the completion of this arrangement for the association of the German federal republic with NATO and for the signature of the German peace contract.

Mr. COLDWELL: Another question I was going to ask is, following discussions with the United States recently, there seems to be some disposition to view the future of the American forces in Germany in the light of a partial withdrawal of those forces at least. I think Taft and some of the republicans have been suggesting that.

Hon. Mr. PEARSON: That policy has been put forward but it is not the policy of the American government, and the arrangements which we have discussed at NATO meetings provide for the continued presence in Europe, and in Germany as part of Europe, of very sizeable American, British and French forces and one-third of a Canadian division.

Mr. COLDWELL: In view of the two elections coming up—the American election and the German elections next year—it is a rather tenuous thread.

Hon. Mr. PEARSON: I admit that there is always the possibility of a change of government in any country.

Mr. GRAYDON: Hear, hear.

Hon. Mr. PEARSON: In some less than others; but in any democratic country there is always that possibility.

Mr. COLDWELL: In some countries you can judge the possibility of re-electing the government more closely than you can in others, is not that so?

Hon. Mr. PEARSON: In so far as foreign policy is concerned, a change of government in France or Germany in a certain direction might have a very important effect on these plans.

Mr. FLEMING: May I ask the minister if it is the view of the Canadian government that Germany is still the most vital spot in the world today as far as our relations between the west and the countries behind the Iron Curtain are concerned?

Hon. Mr. PEARSON: I would certainly subscribe to that observation in respect of Europe. I think that Germany occupies a place in Europe which is similar to that occupied by Japan in the far east, in so far as the relationship between ourselves and those who would threaten the peace are concerned.

After all, if you go back in history, and not too far back, you find a situation where there was a very strong Germany in Europe and a very strong Japan in the far east. By their very strength they upset the historic balance of power in Europe and in the far east; and eventually the aggressive use of this strength by those two states, Nazi Germany and militarist Japan, caused a world explosion.

Now, those two centres of power were removed, at least temporarily, as a result of that explosion. That left a new great centre of power, the U.S.S.R. and her satellites, without those counterweights on each side.

In building up defensive strength against this new menace of Russian communist imperialism the position of Germany and Japan is, then, of extreme importance. I do not think I can go beyond that but it is pretty obvious that this is the situation. That being the case, and because these peoples are vigorous, vital, powerful people, quite apart from their form of government and because there is no way in which you can keep the Japanese and Germans from developing, as I see it on account of this energy and vigour—nothing can be more important than to have such a development on the side of peace and freedom instead of on the side of aggression and totalitarianism. That is why the position of Germany and Japan is so important.

Mr. FLEMING: Undoubtedly the desire to have these two nations associated with the west in its resistance to the threat of Russian imperialistic aggression helps to explain both the type of peace with Japan and the rapidity into which it was entered in such generous terms, and has had a great deal to do with what is happening in Germany today. But I come back with my same question. The minister has expressed the view of the government, I think Mr. Chairman, about the safeguards that are attempted to be used in this situation to prevent independent use of German re-armed might. I had thought it was the view of the Canadian government, without trying to draw too fine a line, that Germany was still regarded as more vital in its world context than the far east, including

Japan. Has there been any shift of feeling in that respect? Is the situation in the far east assuming greater relative importance as compared with the situation in Germany?

Hon. Mr. PEARSON: Not in my own mind. If I had to state a categorical opinion on this subject, I would say the vital front still remains western Europe and a vital sector of that front is Germany.

Mr. FLEMING: Are the western powers interesting themselves at the moment in settlement of the Saar problem between Germany and France or is it being left to those two countries for solution?

Hon. Mr. PEARSON: That is a matter which has caused a good deal of anxiety in recent months. The Saar is a source of dispute between France and Germany. As a result it has led to certain diplomatic exchanges between them and other countries in western Europe. I hope the problem of the Saar which also caused trouble between the wars is not going to be allowed to cause trouble again.

Mr. FLEMING: Is it fair to ask for the views expressed by the Canadian government?

Hon. Mr. PEARSON: We have not been asked to express any views. The only views given have been given informally to our friends in London, Paris, and Washington.

Mr. Côté: What kind of an answer can we give to the challenge by the U.S.S.R. that for instance the treaty with Japan and the situation is merely l'agent provocateur for another war?

Hon. Mr. PEARSON: No answer. No answer that we give them would satisfy them because their whole policy, I mean the policy of the U.S.S.R. and satellites, is based on the creation of the impression that we are an aggressive bloc in NATO and in the western world. No answer we would give would satisfy them, but we must do our best by our actions to prove that there is no truth in the allegation.

Mr. Côté: To satisfy our own minds.

Hon. Mr. PEARSON: My own mind is satisfied.

Mr. QUELCH: The present arrangements, I understand, provide for the setting up of a German force which is to be integrated in the European force but it does not allow the set-up of a German general staff. Is there not a likelihood that as time goes on Germany will insist on the establishment of a German general staff and once they have an armed set-up it will be just that much more difficult to stop them setting up their German general staff.

I have one other point on the same matter. To what extent is there a danger of revival or resurgence of the Nazi party? We have seen it in the papers lately and we are given to understand that men who have been quite prominent in the past in the Nazi army are being put into prominent positions today?

Hon. Mr. PEARSON: The question of the revival of the German general staff is one of the matters uppermost in the minds of those negotiating the European defence community—especially those in Paris. Every possible step has been taken in the European defence community treaty to prevent such a revival. If you ask me whether in fact it will be possible to prevent it indefinitely I do not know; I would not want to speculate but I do not know in what way such prevention could be attempted more effectively than under the European defence community treaty. That treaty limits the maximum size of the German formations to a division, and the German divisions do not serve in German army corps but with other European divisions, with their staffs from the European defence community and not Germany itself. There may

be German officers on the staffs but they will be part of the European forces. As I understand it, there will not be a German defence ministry controlling the German army. There will have to be German administrative services and that sort of thing but we have done what we can to provide against the development to which you refer. Whether this will be successful I do not know, but I think the steps that have been taken have been pretty effective for that purpose.

As far as the Nazi party is concerned there have been signs of its revival in Germany just as there have been signs of the revival of the Fascist party in Italy. That must worry anybody who knows about what these parties have done in the past. However, one must remember that the Germans are a proud and nationalistic people, as are the Italians. They have suffered a terrific defeat in war, and great distress and privation through that defeat. I think it would be unnatural if there was not some reaction against those defeats and difficulties in the form of some kind of renewed Nazi or Fascist activity. On the whole, however, I think there has been less of that sort of thing than one might have expected. Although it is a danger to be guarded against I think we can feel, after seven years, that the resurgence of the totalitarian ideas in Germany and Italy is not as great as one might have expected. That does not give any grounds for complacency but I think some of the more alarmist reports of the widespread infiltration of high Nazi officers into the German government and civil service are not borne out by the facts. Some German civil servants were members of the Nazi party and there have been some bad examples. There has also been some purging which is recognition that there is a danger. What has happened in the western part of Germany, however, is nothing compared to what has happened in the eastern communist part. In East Germany they will take any Nazi, no matter what his past may have been, provided he will become a slave to the communist dictatorship. They have no scruples at all. We have information about the use by the communists in East Germany of the worst Nazis, S.S. people and such.

Mr. GRAYDON: Have any representations been made directly or indirectly by the Adenauer government to the NATO organization or Canada with respect to the release of Kurt Meyer?

Hon. Mr. PEARSON: I would not like to answer that dogmatically without looking at the file; but I think an approach was made by the German government sometime ago for remission of the sentence.

Mr. GRAYDON: And what was the official say on that?

Hon. Mr. PEARSON: It was an informal approach because the German government could not make any other kind of approach at that time. The approach was rejected. May I leave it at that and I will find out if there is anything more I can say at our next meeting.

Mr. COLDWELL: What is the actual position of the Scandinavian countries in relation to the European defence community?

Hon. Mr. PEARSON: They are not in the European defence community.

Mr. COLDWELL: No, but what is their relationship to the European defence community?

Hon. Mr. PEARSON: Their forces form part of the NATO command covering the northeastern area; and as that command is associated with the European defence forces they have a relationship. They all come under SHAPE. They have a big job to do in the north just as the European army has a job in the centre. There is one strategic plan under SHAPE, under the Supreme Allied Commander for Europe. However they do not have any direct relationship with the European army.

Mr. COLDWELL: They are not committed to the policy of the European armies—or the countries subscribing to the European defence community?

Mr. CÔTÉ: Does it mean they are not under SHAPE?

Hon. Mr. PEARSON: Yes, they are under SHAPE just as the European army will be.

Mr. GRAYDON: May I ask the minister with a change in the supreme commander of NATO what is the machinery that is used? When a man like General Eisenhower resigns how is the choice made of his successor, and what does Canada have to say in connection with that choice?

Hon. Mr. PEARSON: I can speak about that because we have been going through this procedure in the last week or so.

General Eisenhower was appointed to the command of SHAPE by the President of the United States as a result of a request made to the president by the North Atlantic Council meeting in Brussels. When General Eisenhower felt it necessary to resign he sent his resignation to the president, who had appointed him at the request of the NATO council, and to the NATO council as well. I, being chairman this year, got this resignation from him. I was asked, as chairman of the council, to put the necessary machinery in motion to appoint a successor. I got into communication with the vice chairman and secretary general, Lord Ismay, and I also discussed the matter informally in Washington with the Americans, because the previous commander had been an American. The secretary general of NATO circularized all members of the council at my request, Mr. Chairman, telling them of the situation and asking for their views as to a successor. There have been informal discussions going on between all governments for the last week or ten days and it was decided unanimously that the successor should be American.

Mr. GRAYDON: Why?

Hon. Mr. PEARSON: Because the United States is bearing the larger share of the responsibility and because it was felt that it would be in the best interests of the organization at this stage that the commander in chief should be an American general—provided he was a general who would secure the approval of all members of the council. Now, having come to that conclusion and the United States government having been informed informally of the views of all members of council, the council met yesterday morning under the chairmanship of the secretary general. It was the first meeting of the council in the permanent form set up in Paris. At that meeting the council formally asked the president of the United States to nominate, not to appoint, but to nominate an American general; and he nominated General Ridgway.

Mr. FLEMING: Who did?

Hon. Mr. PEARSON: The President of the United States nominated General Ridgway on the request of the council, conveyed in a resolution passed unanimously yesterday morning by the council—introduced by the United Kingdom member and seconded by the French member. He then sent back his nomination at once through the American representative on the council, Mr. Draper. The council met at five o'clock in the afternoon and considered this nomination, accepted it, and then appointed General Ridgway commander in chief. He was therefore appointed by the council but nominated by the President of the United States.

Mr. GRAYDON: At the request of the council? Was the name suggested by the council to the president?

Hon. Mr. PEARSON: No, the president was asked to nominate an American general but if the general nominated had not been agreeable to the council he need not have been appointed by it.

Mr. GRAYDON: Of course there would have been a lot of behind-the-scenes discussion before this point. They would not make an appointment in two or three hours when the council was sitting?

Hon. Mr. PEARSON: That is perfectly correct. You do not do things in that way unless there has been a good deal of talk and a good deal of agreement behind the scenes; but the procedure was quite correct. General Ridgway was appointed as a result of a decision of the North Atlantic Council.

Mr. HIGGINS: I take it the General's name was expected to be submitted?

Hon. Mr. PEARSON: I do not want to bore you with all this behind-the-scenes stuff.

Mr. GRAYDON: There is nothing boring about behind-the-scenes stuff.

Mr. MURRAY: Who succeeded the General in the far east?

Mr. CÔTÉ: Mark Clark.

Hon. Mr. PEARSON: I was going to say that was a secret but apparently it is not.

Mr. FLEMING: It is in the paper this morning.

Mr. GRAYDON: When does General Ridgway officially take over his duties?

Hon. Mr. PEARSON: He will take over when General Eisenhower leaves. I may say, as a matter of interest, that in the exchange of views between the members of council it became quite clear that all members would be quite happy to have one of two or three American generals.

Mr. CÔTÉ: Including Gruenther?

Hon. Mr. PEARSON: Yes, General Gruenther was one and it is a very happy circumstance that he is staying on as chief of staff.

Mr. QUELCH: Does the United States insist on taking command in all fields or is it a question of mutual arrangement?

Hon. Mr. PEARSON: Not at all. The United States acted in this matter with great correctness. They said they would not even consider the question of an American nomination unless it was absolutely clear that every member of the North Atlantic Council felt the general should be an American. They made this known to us not yesterday nor the day before but as soon as General Eisenhower resigned.

Mr. GRAYDON: May I ask the minister one thing. The mechanics of this appointment then apparently may be taken to follow this line of policy: The Council decides upon a nation as having the right to nominate one of their top men, military or otherwise, for a position such as supreme commander. Supposing the same thing arises with respect to naval or air forces. Does that mean the council says: Here is a nation which we decide is going to have the lead in that. Would that mean the national government in that case would be one who would make the nomination and then the council fill it?

Hon. Mr. PEARSON: It does not necessarily mean that. In this particular case the council asked the the United States president to nominate an American general. That does not mean the council could not have asked the United States or any other country to nominate a particular person. As a matter of fact in Brussels the procedure was a little different. In that case General Eisenhower's name was mentioned in a council resolution. So there is no cut and dried procedure but there is unanimous agreement. There must be unanimous agreement in the council because every member of council has a vote in these matters. There must be unanimous agreement as to the appointment.

In this particular case two stages were adopted. The first stage was to ask the President of the United States to nominate a general. The second step was to appoint him. It could have been done in one stage. The council, if it so desired, could have asked the President to make available General "X".

Mr. CÔTÉ: Was that not the principle decided at the beginning—that it should be an American, irrespective of the name?

Hon. Mr. PEARSON: No. That was decided by the members of the council.

Mr. CÔTÉ: Yes, but at the beginning was it not decided that it should be an American?

Hon. Mr. PEARSON: It was decided by the members of council before the resolution was passed yesterday morning. It was decided by them all except the American member of council who said he would leave this to the other members.

Mr. CÔTÉ: But even before Eisenhower?

Hon. Mr. PEARSON: Before General Eisenhower it was decided there should be an American, but a resolution at the Brussels meeting mentioned General Eisenhower.

Mr. GRAYDON: I would have thought the proper procedure would have been for the council of the North Atlantic Treaty Organization to make the choice after consultation with the various countries, rather than have a formal nomination by one country. I think that might lead, in the future, to a sort of crystallization of policy?

Hon. Mr. PEARSON: That is an arguable point. That way was considered and in the case of General Eisenhower that procedure was followed because, in his case, there was no question but that he was the man everybody in the council wanted. The position was not the same this time as there were two or three American generals who would have been equally acceptable. The members of council did not want to choose them but preferred to leave it to the president of the United States.

Mr. GRAYDON: They left the baby on the American doorstep.

Hon. Mr. PEARSON: I would not like to put it that way.

Mr. COLDWELL: Along the same line, what about standardization of arms within the forces. Is that not something with very difficult hurdles?

Hon. Mr. PEARSON: Very difficult and very complicated

Mr. COLDWELL: Are you approaching anything in the way of standardization of arms?

Hon. Mr. PEARSON: The Minister of National Defence could tell you more than I could about that. There has been some progress but not as much as some people had expected or hoped, especially in regard to small arms.

Mr. CÔTÉ: You mean in the interlocking of the joint authority?

Hon. Mr. PEARSON: No, we are talking about standardization of weapons.

Mr. CÔTÉ: So one country will produce such and such a weapon and another country another one?

Hon. Mr. PEARSON: I am thinking of standardization in regard to use and not in regard to manufacture.

Mr. FLEMING: I have one question on the subject you are apparently just on the point of leaving. May I ask the minister if in his absence yesterday Canada was represented at the Lisbon meeting?

Hon. Mr. PEARSON: At the Paris meeting?

Mr. FLEMING: Paris meeting.

Hon. Mr. PEARSON: Of course I would like to make it quite clear that my absence has nothing to do with Canada's representation to the North Atlantic

Council. I am, as Secretary of State for External Affairs, an *ex officio* member of the council. We also have Mr. Heeney there as permanent head of the Canadian delegation. As such he is my alternate, so Canada will be represented at the council no matter what happens to the minister.

Mr. FLEMING: Was Mr. Heeney at the meeting yesterday?

Hon. Mr. PEARSON: Yes, he was; and he spoke on behalf of the Canadian government in respect of this matter.

Mr. COLDWELL: What staff have you over there?

Hon. Mr. PEARSON: We are just beginning to establish our NATO delegation office and we are very anxious not to make any permanent decisions until we see how it develops. We have set up an establishment for six months only, to be reviewed at the end of six months in the light of experience. At the end of that time we may need more or fewer people—it usually works out the former way.

The present staff consists of Mr. Heeney as the permanent representative, assisted by Mr. Rae who has been lent by Canada House for three months. Mr. Rae was on NATO work before in London. Mr. Plumptre will be in charge of the economic section of the delegation dealing with non-military co-operation. He was chairman of the working group of five on non-military co-operation. He is leaving the department to go there but he has not actually left yet. Mr. Kirkwood, a third secretary in the department, will complete the External staff and there will be a representative of the Department of Finance to deal with financial matters.

Mr. COLDWELL: How does this compare with the group negotiating in London?

Hon. Mr. PEARSON: The staff is a little smaller than in London because in London we had the Defence Production Board and the Deputies. They have now been consolidated and, as a result, our present staff is smaller than our previous staff.

Mr. COLDWELL: I wondered if there had been an expansion or contraction?

Hon. Mr. PEARSON: At the moment it is the opposite to expansion because the consolidation of the machinery has made it possible for us to do with fewer officers; but no one is quite sure how this is going to develop in Paris.

Mr. GRAYDON: May I ask the minister this question? It is one that comes up in the public mind quite often, judging from the questions that are asked. What are the Americans and the Spaniards doing in connection with their private arrangements with respect to fortifications and military arrangements in the Iberian peninsula?

Hon. Mr. PEARSON: I do not know what they are doing except in a general way. We do not know all the details of the arrangement. Nor is there any reason why we should, because those arrangements are purely bilateral arrangements between the United States and Spain and have nothing to do with NATO.

Mr. GRAYDON: But may I express the hope that our delegation to NATO will continue to press for the implementation of Article II. I do not want to see that overlooked?

Hon. Mr. PEARSON: They certainly will. Although I may be a prejudiced witness in this matter no delegation has been more active than the Canadian delegation in emphasizing the importance of Article II. None of the results achieved under Article II have satisfied those interested in the article but, as I have pointed out on so many occasions, the implementation of Article II is a longer range proposition than the building up of military forces within a

specific time—a period of time where you can plan definitely and concretely for the achievement of certain objectives. There are so many things to be done under Article II.

Mr. QUELCH: In the appendix to their last issue there was a report by Dr. Hudson, our representative on the committee on monetary problems under FAO, indicating that little or no progress has been made on the problem. The proposals for the international world food board and the international clearing house were turned down so there is no way at the moment where surpluses from the free nations can be made available to those nations who need them. Is Canada actually prepared to go ahead and make those concessions to the free governments without payment in dollars by such nations, in the form of investments in those countries and so on?

Hon. Mr. PEARSON: There are a good many ways in which surpluses in one country can be made available to other countries where shortages exist. There is no lack of ways of doing this when financial considerations make it easy. The difficulty is when the ordinary means of financing are not present. We have, in a modest way, attempted to overcome some of those difficulties in the last four or five years by making funds available to countries where they were required. There have been other proposals. You have mentioned one—the FAO proposal regarding what might be termed the ever normal international granary. This has not been put into effect.

There is one proposal coming up before the forthcoming meeting of the Social and Economic Council—a scheme for international financing. I do not know whether I can say any more at the present time on this subject. We have accepted some of these schemes and not others. Over the last five or six years, however, we have made available for financing a good many hundreds of millions of Canadian dollars.

Mr. QUELCH: What was that again?

Hon. Mr. PEARSON: We have also given, as Mr. Morgan points out, certain food commodities for relief purposes.

Mr. QUELCH: I was quite struck by the statement by Mr. Gardiner to the FAO conference that farmers in Canada could not expand production unless arrangements were made for them to get rid of the production afterwards. Mr. Hannam said that the farmers would be crazy to expand unless there was that arrangement. It seems to be a very unsatisfactory situation where you have so many nations in need of food and yet one of the great producing nations farmers are discouraged in production.

Hon. Mr. PEARSON: That applies to every producer. No producer of any commodity likes to expand production unless he has some assurance that he will be able to dispose of the extra produce. While some countries have not enough food they have not a lot of other things as well. They need boots, clothing, shelter. The possibilities of increasing consumption are infinite, but the means of financing the increase are not.

Mr. QUELCH: The situation in Canada has been assisted by the large scale American investments in this country and should we not reciprocate in Europe?

Hon. Mr. PEARSON: Yes, but this large scale investment—some \$600 or \$700 million last year was just about enough to cover our adverse balance of trade with the United States.

Mr. HIGGINS: I have a different subject here. I do not want to butt in but I would tell the minister that an American radio station is operated at the American air force base at Pepperrell. Under the agreement by which the U.S. obtained bases in Newfoundland it is to be operated until six months after the peace treaty is signed. There was a new transmitter installed last month at Pepperrell which has either been silenced by force or request, I do not know which. Does the minister know anything about it?

Hon. Mr. PEARSON: I know it was not silenced by force or we would have heard about it. I do not know whether it has been done by request, but I will find out.

Mr. HIGGINS: There was a suggestion made on it from some department but I might tell the minister that there are quite a number concerned apart from the American personnel living on the base. The great bulk of the people listen to the ball games—as I believe the minister listens in other places—and we might have trouble on our hands if permission is not granted again—

Hon. Mr. PEARSON: You mean this radio station on the American base is used for broadcasting baseball games?

Mr. HIGGINS: Yes. They broadcast general programs during the day but the population in Newfoundland is mostly interested in baseball games.

Hon. Mr. PEARSON: No doubt that is a public service and I will be glad to look into it!

Mr. FLEMING: May we make a long jump to the other side of the world and I would like to ask the minister some questions on China.

The CHAIRMAN: Well, before you ask that I would like to ask one question although the chairman is supposed to remain silent. Certain places in Europe have always been explosive between wars—the Polish corridor, and the Saar valley and so on, but what is happening about Trieste?

Hon. Mr. PEARSON: I think there is reasonable hope of settlement in that explosive area. There have been official talks about the question recently. You will recall about a month ago that there was a deterioration in relations between the Yugoslavs and the Italians over Trieste. There were parades in Belgrade and parades in Italian streets depressingly reminiscent of the parades between the wars when excited people walked along carrying banners “Trieste or death” and that kind of thing.

As a result of this deterioration in the situation the British, Americans and French—especially the United Kingdom government—began to consider what could be done. Discussions are going on now which we must hope will result in some kind of solution which will take at least this area out of the category of dangerous zones.

Mr. GRAYDON: Before you ask a question on China may I just revert to one here. We got diverted from the Spanish area by another question but I wanted to ask the minister whether there is some formal or informal treaty or agreement between Spain and the United States in connection with bases and the like within Spain?

Hon. Mr. PEARSON: Yes, there has been an arrangement made. I do not know whether you would call it a treaty or not but there has been an inter-governmental understanding between Madrid and Washington covering defence co-operation. I will get more information for you.

Mr. GRAYDON: Is that arrangement between United States and Spain meant to bring Spain closer to the orb of the North Atlantic Treaty Organization by an indirect means?

Hon. Mr. PEARSON: It was made quite clear at the time by the Americans that these discussions which they were having with the Spanish government had nothing whatever to do with NATO, and that was underlined at our meeting in Lisbon. They are purely strategic and not political discussions.

Mr. CÔTÉ: Was that not through Portugal?

Hon. Mr. PEARSON: It was made clear by Portugal on other occasions that the Portuguese government desired a closer relationship between Spain and the North Atlantic Treaty Organization. It was made equally clear by certain other governments that no such close association should be considered at this time.

I said that there was some kind of arrangement between Spain and the United States; there is but it is not in the form of a treaty. It is a defence arrangement, as far as I remember, between government departments.

Mr. GRAYDON: What has been the position of Canada at NATO meetings with respect to the admission of Spain to NATO?

Hon. Mr. PEARSON: There are two considerations in our view to be balanced in this somewhat delicate and difficult matter. There is the consideration of military value, whether the admission of Spain to the NATO organization would be important from the point of view of the defence of western Europe. But there is also a political consideration: whether bringing Spain into NATO would split the coalition or weaken it because of the fact that some members of the coalition are very much opposed to this development. You have to balance these two factors. Our general view is that Spain's military assistance is not as important at this time as the necessity for keeping the coalition strong and united in its present form; and that if any proposal is made which would weaken NATO's unity and thereby weaken its strength, then such a proposal should be rejected.

Mr. GRAYDON: Is not that just what the United States is trying to get around so that they won't be breaking the unity of the NATO treaty organization, and still attempt to take advantage of what military developments may come?

Hon. Mr. PEARSON: I am not criticizing at all the discussions they are having with the Spanish government. The United States is also having discussions concerning mutual defence with Yugoslavia. A proposal that Yugoslavia should come into the NATO treaty organization would, however, arouse opposition also but from the other side in NATO. I think it would therefore be wise not to make any such proposal but to proceed, as has been done up to this time by those powers most directly concerned, with ways and means of strengthening Yugoslavia's ability to resist any possible aggressor.

Mr. RILEY: What principal nations are more strongly opposed to the admission of Spain?

Hon. Mr. PEARSON: The French representatives have always opposed it; and the United Kingdom also opposes any proposal which would tend to weaken the unity of the organization.

The CHAIRMAN: Thousands of our youths have paid a terrible price of blood and sacrifice in the defence of the country, so I think that Canada has the right to tell some of the nations in Europe that Spain would be a wonderful bulwark against communism. Spain has no reason to love a communist government. So I hope that Canadians will take every opportunity to tell them so, and to do everything they possibly can to see that Russia is stopped short at the present time, at least.

Mr. FLEMING: There is another side to be considered. This western alliance was built among the democratic governments and it was thought that its fundamental purpose was the defence of our democratic way of life. I do not know if many people in this country are yet convinced that the democratic way of life yet flourishes in Spain under a dictator. And whatever may be said about Franco, he is nevertheless a dictator and his government is an outgrowth of fascism.

The CHAIRMAN: Did you say "fascism"?

Mr. FLEMING: It is an outgrowth of fascism; and I fancy that is the reason back of the concern of France and Great Britain about embracing Mr. Franco a little too readily. Is not that it?

The CHAIRMAN: When we say that he is a dictator or a fascist, I think we must realize that he has never tried to spread his fascism to any other section of the world, as communism has done. He felt he had to do what he did; there was no alternative in Spain.

Mr. MACDOUGALL: Would the minister be prepared to make a statement with respect to the situation in Portugal? Certainly, in the first world war I do not think a Portuguese soldier would have stood up against any type of aggression; so I am wondering whether there has been any improvement in the quality of the Portuguese army as of today, in comparison with the Portuguese army of 1914 to 1918.

Hon. Mr. PEARSON: You would not expect me to agree with any reflections on the courage and determination of the forces of any of our allies; and I have no reason to believe that the Portuguese forces will not play their proper part in any NATO operations.

Mr. MACDOUGALL: Thank you!

The CHAIRMAN: Now, Mr. Fleming?

Mr. RILEY: From the standpoint of our conception of democratic government, how does the Portuguese government compare with others?

Hon. Mr. PEARSON: I hesitate to comment on the nature of another friendly government; but I can say that it is not a democratic government in our sense of the word; it is not a parliamentary democracy in our sense of the word; but it seems to be functioning quite effectively in Portugal. I say this without any offensive use of the word—it is a benevolent form of dictatorship. That is the type of government you have in Portugal now, and it probably can be best understood through a study of portuguese political history in the 20 years or so preceding the accession to power of Dr. Salazar.

Mr. CÔTÉ: At the end of the war I think that Portugal was useful, to the extent you have mentioned, since she was in a neutral position, and was available for communication between two radical opponents.

Hon. Mr. PEARSON: Yes. Portugal played a very useful part in the war; and among other things she made available the Azores which were an almost essential base in the Atlantic at that time. As Mr. Churchill explained in his announcement in the House of Commons, an arrangement was made, not between Portugal and the United States or France or any other country, but between Portugal and the United Kingdom, arising out of a treaty of alliance which was entered into by Edward III and King Ferdinand and Queen Eleanor in 1373.

Mr. HIGGINS: Might I ask: what is the meaning of Japan signing a peace treaty with nationalist China?

The CHAIRMAN: I believe that Mr. Fleming has some questions on that point. Mr. Fleming, you may go on now.

Mr. FLEMING: I do not want to take the committee away from Europe if there are other questions concerning it. But there are so many questions about Japan that perhaps the minister would like to make a general statement first, and I will tell him what my principal questions are. In the last 12 months, has there been any change in the attitude of the Canadian government in the way of recognition of the so-called Peoples' government of Peking? And my second question is this: what is the position of the Canadian government in regard to the defence of Formosa? And my third question is: to what extent is the so-called Peoples' government at Peking being recognized as having a legitimate part in any cease fire negotiations in Korea?

Hon. Mr. PEARSON: Those are three pretty important questions. I think I have dealt with two of them in the House of Commons when I talked about the Far East, but I shall repeat what I said then. I hope I will repeat it!

Mr. FLEMING: I am not looking for more elaboration, but rather for more details.

Hon. Mr. PEARSON: Yes. With respect to your first question which deals with our policy in regard to recognition of the Peking government, there has been no change over the last 12 months. Our policy remains as it did then, namely, that we would not even consider—and I repeat “even consider”—the question of recognizing the Peking government as long as its men were fighting in Korea against the United Nations. It would certainly have to purge itself of that offence before any question of recognition could even be considered.

Mr. FLEMING: Beyond that recapitulation statement, is there anything in the situation that the minister can comment upon as to any other aspects of the attitude of the Canadian government towards that subject of recognition?

Hon. Mr. PEARSON: I can only say this: that in the last 12 months we have had no information which would indicate that the control of Peking over the territory where it operates has weakened in any way, shape or form. It is undoubtedly exercising complete control over the continental territory of China, of which it is in control. Twelve months ago we might have wondered whether this regime in Peking would be able to maintain its control over all China, but there is no evidence that it is not.

Mr. FLEMING: And the longer that goes on the stronger the case for aggression in Korea?

Hon. Mr. PEARSON: That would be an important factor bearing on the recognition of any government and one which has operated so far as aggression in Korea is concerned.

Mr. MURRAY: I understand that the troops in Korea—I mean our Canadian troops—have discovered that the Chinese are using opium very extensively and are distributing it among their soldiers; and that these mass attacks which were made on the United Nations position were made by men who were heavily loaded with opium or its derivatives, such as cocaine or whatever these derivatives may be; and that on each person found, there has been discovered a ration of this opium.

Mr. CÔTÉ: It may be cheaper than rum.

Mr. MURRAY: I wonder if any information on that point is available, and I wonder about its inclusion in the subject of illicit narcotic business in the Far East which I understand makes use of the Portuguese port of Macao, and which is of course a threat against the civilian population of America.

Hon. Mr. PEARSON: I have seen reports recently, and we are making some inquiries. It may be that United States government officials will bring this matter to the attention of the United Nations not so much in regard to the use of opium by the Chinese soldiers as to the exploitation of the opium traffic by the Peking government. I do not know how authentic these reports are, but we are looking into them.

Mr. MURRAY: I take it the fact is that there is some information which could be obtained?

Hon. Mr. PEARSON: We will see what we can do.

Mr. MURRAY: I understand this business is carried on with the knowledge and approval of the Russian people, and that on the soldiers captured are found items such as pencils and fountain pens and so on bearing Russian names of manufacture.

Hon. Mr. PEARSON: I do not know anything about that, but I shall make inquiries.

Mr. MURRAY: Yes, there is Russian insignia upon them.

Hon. Mr. PEARSON: I have not seen the reports that Chinese troops are using opium to stir them to attack. I always thought that opium would put you to sleep.

Mr. MURRAY: No doubt it can be found that a derivative of opium is being used and that they are encouraging the wholesale production of the raw material in the interior of China and supplying great quantities of it to their armies in Korea.

Hon. Mr. PEARSON: We shall try to get more information on it.

Mr. FLEMING: I have one or two other questions, Mr. Chairman.

Hon. Mr. PEARSON: I had better try to deal with Mr. Fleming's other questions. The second one was what?

Mr. FLEMING: About the democratic form?

Hon. Mr. PEARSON: There was one before that.

Mr. FLEMING: The third one had to do with the participation of the Chinese peoples' government in any truce settlement in Korea.

Hon. Mr. PEARSON: Possibly we had better deal with that, as following on from the first question. We have already stated—and when I say “we”, I mean the Canadian government—that through our acceptance of the United Nations resolution, if aggression in Korea were ended, we would participate with the other members of the United Nations in any discussion of a settlement in Korea, to be followed by a discussion of other Far Eastern questions with the Chinese communist government. That remains our position. As a matter of fact, while we cannot recognize these people in any way, shape, or form while they are guilty of aggression.

For many months United Nations representatives at Panmunjong have been negotiating with Chinese communists in respect of a military armistice.

Mr. FLEMING: They do not sit there as representatives of the Chinese peoples' government?

Hon. Mr. PEARSON: They do not try any longer to disguise themselves as representatives of volunteers. You do not hear very much about that now; it was obviously a little too ridiculous to continue.

The third question was about Formosa, in Canada we have no special obligation in regard to the defence of Formosa. The United States has announced that its fleet would be used for the purpose, while the war in Korea is going on, of preventing an attack on Formosa, or—and this is something which is sometimes forgotten—preventing an attack on the mainland by the nationalist Chinese on Formosa. We do not feel that we have any special obligation in Canada for the defence of Formosa, and we have undertaken no such obligation.

Mr. CÔTÉ: Is Formosa a national or international issue?

Hon. Mr. PEARSON: It is both a national and an international issue; it is a very important question.

Mr. QUELCH: Would we not have a responsibility as a member of the United Nations?

Hon. Mr. PEARSON: Yes, but we would have no special obligation. We recognize the Chinese Nationalist government on Formosa as the Government of China. Therefore an armed attack on that government in theory would be aggression and we would have the same obligation in respect of that aggression as we would have in respect of an attack on any other member of the United Nations; but an attack on Formosa by the Chinese communist government would not be an attack by one state on another. It would be only an incident of the civil war which is going on in China at the present time.

Mr. CÔTÉ: That is what I meant by my question.

Hon. Mr. PEARSON: So, in one sense it would be a national matter.

Mr. CÔRÉ: That is right; a civil war.

Mr. RILEY: Should active consideration be given to the recognition of the Peking government, what would be the effect on the morale of the Canadians fighting in Korea?

Hon. Mr. PEARSON: I think it would be deplorable. I do not think we should even consider such recognition while these people are committing aggression and while our soldiers representing Canada and the members of the United Nations are fighting against them.

Mr. MACKENZIE: I wonder if the minister would care to comment on the fact that while Great Britain has formerly recognized the present Peking government, they have not assumed full ambassador status, while other countries—if I am right or wrong in this, I wish he would clarify it—such as the Netherlands, Denmark, Switzerland, Norway and Sweden have entered into full diplomatic ambassador relations with them?

Hon. Mr. PEARSON: That is correct. I think I am right in saying that the British have not been able to send an ambassador to Peking, so their representative there, ever since they recognized the communist government, has been a charge d'affaires. They have a very competent man there now, an expert on China, as charge d'affaires. His name is Mr. Lamb, and he has been very helpful to us in passing on any representations we have had to make to the Chinese communists in regard to the protection of our own people, and he has done everything he could for Canadians. The reason the Chinese appear to have been reluctant to receive a United Kingdom ambassador while they do receive heads of mission from other countries is, in my opinion, bound up with the situation surrounding the first recognition by the British of the Peking government. The Chinese communist government may have thought that the United Kingdom government would then support them at the Security Council in their claim to membership of that body; but as you will recall, when that question came up, the British representative did not vote in favour of the Chinese communist representative. I think he abstained. That was as effective as voting against them. That may have had something to do with their refusal to receive a British ambassador.

Mr. GRAYDON: Actually, the red Chinese have behaved very shabbily towards the British.

Hon. Mr. PEARSON: The British have not gained very much in a practical sense by recognition.

Mr. MURRAY: Are they not being crowded out? I mean the British traders?

Hon. Mr. PEARSON: They are, indeed. While they are talking so much in Moscow about great barter deals, and the development of trade between China and the west, it should be recalled that at the very same time they are doing everything they possibly can to squeeze out of China the British traders who are there for the purposes of trading.

Mr. HIGGINS: Will the minister make a comment on the Japanese treaty?

Mr. RICHARD: Have there been any large transfers of funds from this country to the Chinese countries?

Hon. Mr. PEARSON: No. Our regulations are pretty effective in that regard and we have no reason to believe they are being evaded in a substantial way.

Mr. CÔTÉ: Except for the ships.

The CHAIRMAN: Mr. Higgins.

Hon. Mr. PEARSON: Mr. Higgins asked about the treaty between the Japanese government and the nationalist Chinese government in Formosa. According to the press that treaty was signed yesterday at the time the main Japanese

treaty came into effect. At the time of the Japanese peace conference in San Francisco there was a good deal of discussion behind the scenes about the relationship of the Japanese government to China. There could be no agreement reached at that time as to who should represent China at the peace conference. Therefore, there was no Chinese government representative present, either from the one we recognized, or from that which some other countries recognized. The question of the relationship of Japan to any Chinese government was left open; but you will recall that on the day the Japanese peace treaty was signed, a security arrangement was also signed between the United States and Japan, and that was followed by a visit to Japan by Mr. Dulles, when no doubt there were discussions as to what should be the relationship between Japan and the government in Formosa, or the government in Peking. It was understood at San Francisco and subsequently that no government would bring any pressure to bear on the Japanese government to adopt any particular policy in regard to this matter. But shortly after these discussions—and I am not saying this in criticism of Mr. Dulles since he had a perfect right to go and talk to the Japanese if he wanted to—the Japanese government entered into negotiations with the government on Formosa. These negotiations have been concluded and the treaty in question was signed yesterday; but I would not like to comment on it at this time. It is a rather important development but until I have an opportunity of seeing each clause of the treaty, I would not care to make a comment on it. One reason why these discussions have taken so many weeks is that the form in this case will be very important. Whether this arrangement was reached between the Japanese and Chiang Kai-Shek on behalf of the government of China, or whether it was an arrangement between Japan and Chiang Kai-Shek covering those areas where Chiang Kai-Shek's government still holds authority, I do not know. I do not think we have the official text of this treaty that was signed and until I see it, I would not like to comment.

Mr. HIGGINS: I take it that at present you have not got the complete details?

Hon. Mr. PEARSON: We have the details leading up to about a week or two ago, details of the draft agreed upon, but I would like to see the final official text; there were alternative forms of words for certain clauses and I do not yet know which were adopted. I have not seen the latest draft for signature and I do not know what was finally agreed upon.

Mr. FLEMING: Would you get that for Friday's meeting?

Hon. Mr. PEARSON: Yes, I will try to have it for Friday.

Mr. HIGGINS: Do you think there will be a separate peace treaty for communist China and Japan?

Hon. Mr. PEARSON: The present Japanese government have expressed themselves pretty strongly about the difficulty of working with an aggressive communist government on the mainland but I would prefer not to speculate too much about the future relations between the Japanese and the Chinese on the mainland.

The Japanese are a very shrewd people with a pretty exact appreciation of their own national interests. Their country has to live on foreign trade and in the past undoubtedly much of that trade has been with the continent of China. They might be glad to get back into the Chinese market.

Mr. CÔTÉ: May I ask the minister perhaps a selfish question to clarify my own mind with regard to Formosa. What is the fundamental basis why an act such as that of the United Nations involving for instance Korea should not involve Formosa?

Hon. Mr. PEARSON: The fundamental difference is that there was an act of aggression committed in Korea—an act of military aggression against a

state which had been recognized by the members of the United Nations. There has been no such act of aggression committed against Formosa. That seems to me to be the difference.

Mr. CÔTÉ: No military activities?

Hon. Mr. PEARSON: There have been military activities but there has not been an act of aggression committed against Formosa from outside.

Mr. QUELCH: If China acted against Formosa we could not consider it an act of aggression because we do not recognize Formosa as an independent state?

Hon. Mr. PEARSON: The only possible circumstances which would bring about any obligation on our part would be an attack on Formosa by some other power than the Peking regime. If the Philippines, and this is an unreal hypothesis, attacked Formosa, then it might be argued by Chiang Kai-Shek that it was an act of aggression.

Mr. CÔTÉ: But in Korea they were all Koreans, irrespective of the parallel?

Hon. Mr. PEARSON: We recognized the republic of Korea and that republic was attacked by a government which we did not recognize.

Mr. FLEMING: Was it attacked by a government?

Hon. Mr. PEARSON: We recognized the state. We recognized the republic of Korea and we did not come to the defence of any government in Korea.

Mr. FLEMING: You said they were attacked by a government and I was wondering if that was an accurate expression?

Hon. Mr. PEARSON: That was certainly a wrong expression to use. They were not attacked by a government; they were attacked by armed forces from outside.

Mr. RILEY: It would be the same if northern Ireland were attacked by southern Ireland?

Mr. FLEMING: Or vice versa; or if St. John attacked Ottawa.

Mr. GRAYDON: May I ask the minister this? I understand that Mr. Menzies has been appointed the other day to be charge d'affaires at Tokyo on behalf of Canada. Is that preliminary to a full exchange, ambassadorially, between the two countries?

Hon. Mr. PEARSON: Yes. In due course we will appoint an ambassador to Tokyo and the Japanese government has already put forward the name of one person to be ambassador to Canada.

Mr. GRAYDON: Well, in the Japanese peace treaty the question of trade was very largely left to other agreements which were to come afterwards between the various countries. Have there been any exploratory discussions between Canada and Japan initiated yet with respect to trade agreements between those two countries?

Hon. Mr. PEARSON: We have held discussions on trade matters with Japanese officials in Ottawa. There has been a Japanese overseas agency here for almost a year and the overseas agency—now an embassy—is under a charge d'affaires. He has been here for some months and we have discussed trade questions with him. I speak subject to correction—because I thought we were later going to have a special session on this matter—but I do not think there have been any formal arrangements on trade matters with the Japanese.

Mr. GRAYDON: We can leave that until we have that question before us.

Hon. Mr. PEARSON: When we have the bill to implement the Japanese peace treaty.

Mr. FLEMING: May I take another jump if there are no other questions?

Mr. HIGGINS: I have one. I am a little curious about this matter. I was listening to a news broadcast that included a few words about this man Buck saying Canada was preparing for germ warfare. Is there any basis of fact for that, and if there is not what are you going to do about this fellow?

Hon. Mr. PEARSON: I do not need to dignify that kind of statement by denying it but of course there is no truth in it; however, there is still freedom of speech in this country within the law, and if this speech is outside the law, the law will take its course. I do not know whether Buck's statement last night, which I did not hear, constituted seditious libel or anything like that.

Mr. RILEY: Mr. Buck is obviously preparing to attend the peace conference.

Mr. HIGGINS: It does not seem right to let that fellow go along on his own.

Mr. CÔTÉ: I guess you better pass the "Buck".

Mr. FLEMING: If there are no more questions in that part of the world, would the minister make a comment on the situation in southeast Asia—particularly in regard to the way in which conditions seem to be developing in Siam and French Indo-China. Has the Canadian government interested itself in the situation there beyond keeping itself informed through the countries that are principally concerned. I would include Malaya.

Hon. Mr. PEARSON: That is another very important area in the world—and the importance of it is becoming more and more clear to everybody. It was not very long ago that we felt that what happened in southeast Asia had a very remote effect on Canada, but we are learning better. One of the most dangerous sectors in this world, front against communist aggression—because it is that—is the Indo-China sector.

The situation in that country is very worrying, because of the immediate dangers of communist domination which might lead to communist domination of all southeast Asia. It is also worrying because so much of the resources of men, material and money of France are being used in that campaign. We do not hear much in Canada of that war, not as much as we hear about the Korean war, probably because we are more directly involved in the Korean war. France has suffered a great deal there. The war is a running sore. As long as France has to devote so much of her human and material wealth to that campaign she cannot build up forces for the defence of western Europe as quickly and as effectively as she would otherwise have been able to do.

I think I said this the other day here, or in some place, although it was not New York—that when we exchanged views at our first meeting at the foreign ministers at Lisbon on the international situation, the first subject was Indo-China. We spent most of the morning on it. This was an evidence of the inter-relationship of all these matters—because Indo-China was very definitely a NATO problem. There are some encouraging signs out there. For one thing, the Viet Nam government is assuming more and more control, which I think is essential if we are going to stop communism and communist aggression in that part of the world. In this place and other places of the world you have got to do that by the co-operation of the people themselves and not by the super imposition of forces from outside. The latter course only plays into the hands of the communists who exploit the strength of national feeling. The nationalist appeal is one which is very hard for those people to resist. The Viet Nam government is taking over more and more of the problem and building up a Viet Nam army. As it develops France can gradually withdraw from military participation.

Mr. FLEMING: The minister was going on to comment on Malaya and also how much the Canadian government has interested itself—apart from keeping informed?

Hon. Mr. PEARSON: Malaya is another sector of that same front where the capacity of the communists to do harm is dramatically illustrated by the fact that there are not more than three or four or five thousand bandits. However, they have managed to keep that very rich, very productive, and formerly happy country in a state of turmoil ever since the war. There again they have diverted from other uses a sizeable British force. There is a Canadian trade representative at Singapore and our last information is that the situation is being tackled very vigorously indeed by the new British administrator General Templar. However, I have not seen anything in intelligence reports, political reports, or any other reports which leads me to believe it will be cleaned up in the very near future.

Then of course in between there are Thailand and Burma and if either flank falls the whole situation might go. I have just emphasized how the communists exploit nationalism. It is a source of strength for them—although of course they will exploit anything. Nationalism is one of their best weapons along with material privation and distress. This combination is formidable but it does not explain everything. For instance you cannot say that Burma is under outside domination, yet the communists have managed to keep Burma in turmoil. Their strength in Burma is relatively as great as that in other south-east Asian countries, so it is not only nationalism that is the basis of communist aggression or communist subversion in Asia. Nor is it only living conditions and the low standard of life, because communism is strong in other countries out there. I suppose the southeast Asian country that has the highest standard of living—it is very low compared with ours, but I suppose it is the highest of those Asian countries—would be Ceylon, and there is a higher proportion of communist members in the Ceylon legislature than in any parliament in that part of the world.

Mr. CÔTÉ: How do you explain that paradox?

Hon. Mr. PEARSON: I cannot explain it completely but if you were in Ceylon you would get some understanding of it. Some of the communists there are of a relatively mild variety and they are divided among themselves. They are not all Stalinists. I think they even have a Trotskyist or two.

Mr. FLEMING: The minister was going to say something about the extent to which the Canadian government is participating apart from keeping itself informed and on that I suppose we have to include the Colombo plan.

Hon. Mr. PEARSON: As you know we have representation in those three commonwealth countries. We have no diplomatic representation in any of the other southeast Asian countries. We have a trade commissioner at Hong Kong where we get information but in Indo-China or in Indonesia especially we are not represented.

I think myself it is desirable that we should be represented in that part of the world and if I were picking a place where I thought such diplomatic representation would be most useful at the present time I think it would be Indonesia—from the point of view of development of Canadian trade and for other reasons. Our difficulty is, however, a financial one. Much as we would like to accept all these proposals for representation we have to proceed gradually as finances become available.

Mr. CÔTÉ: Would you say Indonesia would be a stepping stone into that part of the world?

Hon. Mr. PEARSON: I would think that diplomatic representation with the right kind of people as our representatives would be of advantage in developing trade.

Mr. MURRAY: Mr. Minister, would you tell us whether you consider the Chinese are extending their influence to the southeast Asian countries through business, banks, shipping companies and so on?

Hon. Mr. PEARSON: Yes, and some of you know more about that than I do. Chinese business activity is very noticeable, especially in Malaya, Indo-China and Indonesia too. Very often control of the business life of the community will be Chinese and that of course gives the Chinese communists a foothold. These business leaders may not be communists but communist pressure can be exerted on them and other members of the Chinese community through the contacts they have maintained with their own country. The Chinese always do that.

Mr. MURRAY: They have newspapers and radio stations?

Hon. Mr. PEARSON: Yes.

Mr. MURRAY: I am emphasizing more need for dealing with China rather than dealing individually with these people.

Mr. HIGGINS: How much of this shakedown business is going on with Chinese out of China?

Hon. Mr. PEARSON: In Canada, so far as we can, we have it stopped. I think it is right to say that. There may be ways of evading all these regulations, however. There were stories about millions of dollars going back through the United States a little while ago and I think they have got that fairly well under control too; but it is difficult to be certain that it has completely stopped.

Some of the Chinese here and in other countries get rather piteous appeals from their own relatives in China saying: If you don't send us money we will starve.

That is often the way the communists obtain the money—by the domestic approach. It is not easy for a Chinese person who is approached not to send that money to his family where he thinks it will be used. Probably it would not be used there at all.

Mr. HIGGINS: You are stopping it as well as you can?

Hon. Mr. PEARSON: To the best of our ability.

Mr. RILEY: How?

Hon. Mr. PEARSON: By export control—control of funds.

Mr. RILEY: What would there be to prevent them from establishing agencies in other countries for the purpose of relaying the funds?

Hon. Mr. PEARSON: That is the kind of problem that you cannot completely solve. Hong Kong could be a centre of a good deal of this and we have no doubt it is. The funds used to go via the United States but to the best of our ability we are trying to stop it. Also the United Kingdom are trying to exercise some control over these matters in Hong Kong.

Mr. HIGGINS: I understand there is quite a bit of exchanging money in Hong Kong amongst these merchants or money changers. Is there something in that?

Hon. Mr. PEARSON: A good deal, yes.

Mr. MACKENZIE: Is the old firm of Jardine & Matheson still functioning?

Hon. Mr. PEARSON: They are trying to keep going but their operations are gradually being reduced. There were two big firms, of course, Jardine & Matheson and Butterfield and Swire. I met the representatives of both of them in Hong Kong some time ago and they mentioned then that they were gradually being squeezed out. You might ask Mr. Fulford to appear and give you some information on this because his company once did tremendous business in China—perhaps not so much now.

Mr. FLEMING: The Chinese are getting along without taking pink pills; they are taking red pills now.

The CHAIRMAN: Are there any more questions?

Mr. MURRAY: I move we adjourn.

The CHAIRMAN: Before we adjourn I want to mention the fact that last Wednesday was the birthday of the Minister of External Affairs, Mr. Pearson. I also made a request at our meeting last week that Mr. Graydon be kind enough to take the chairmanship of the meeting on Friday. Will it be possible to hold a meeting at 11 o'clock on Friday?

Mr. FLEMING: With the minister?

Hon. Mr. PEARSON: I thought I would come then, if the committee desired, to deal with outstanding points. If at any time you want me back again I will be glad to return but I will be here for the meeting on Friday in any event. When we take the Japanese bill I will have some officials with me to deal with certain highly technical questions.

Mr. FLEMING: There are some more points of the type we have been discussing today that we would appreciate discussing with the minister on Friday.

HOUSE OF COMMONS

Sixth Session—Twenty-first Parliament, 1952

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Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. BRADETTE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

FRIDAY, MAY 2, 1952

ITEM 85

Main Estimates of the Department of External Affairs—Departmental Administration.

WITNESS:

Hon. L. B. Pearson, Secretary of State for External Affairs.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1952

MINUTES OF PROCEEDINGS

FRIDAY, May 2, 1952.

The Standing Committee on External Affairs met at 11 o'clock a.m. this day. The Vice-Chairman, Mr. Gordon Graydon, presided.

Members present: Messrs. Bater, Coldwell, Diefenbaker, Fleming, Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Green, Jutras, Kirk (*Digby-Yarmouth*), Lesage, Low, MacDougall, McCusker, Murray (*Cariboo*), Quelch, Richard (*Ottawa East*), Riley, Stick.

In attendance: Hon. L. B. Pearson, Secretary of State for External Affairs; Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs and Mr. P. Molson of the Department of External Affairs.

Item No. 85—Main Estimates of the Department of External Affairs, was considered.

The examination of Mr. Pearson was concluded and the Vice-Chairman thanked the Minister for the information he has supplied to the Committee.

At 12.45 o'clock p.m. the Committee adjourned to the call of the Chair.

E. W. INNES,
Clerk of the Committee.

EVIDENCE

May 2, 1952.

11.00 a.m.

The VICE-CHAIRMAN: Gentlemen, if you will come to order we have a quorum now. At the last meeting of the committee Mr. Pearson indicated that he would have some answers to questions that had been propounded at previous meetings. If it is the wish of the committee we perhaps might hear Mr. Pearson now.

Hon. Mr. PEARSON: Mr. Chairman, there were certain questions asked at previous meetings to which I did not have answers ready at the time. Perhaps I might deal with them now.

First on my list is a question from the vice-chairman as to whether the 1949 Geneva Convention on prisoners of war applies to the operations of the United Nations forces in Korea. The answer to that, as I indicated the other day, is that in a legal sense that convention does not apply.

The United Nations which is legally conducting the operations is of course not a signatory to the convention, but members of the United Nations participating in the operations have signed—although some of them have not ratified—the convention which is not in effect yet as far as they are concerned. That is the legal position.

However, the first unified commander, General MacArthur, did state almost at the beginning of operations that the United Nations forces would observe the humanitarian provisions of the convention and that statement of his was concurred in by other governments—the United Kingdom government and our own. We are therefore bound to observe the humanitarian provisions of the convention—though legally the convention does not apply.

Another question was put by Mr. Decore as to whether the United States had ratified the Genocide convention. The answer is “no”. It has been before the Senate Foreign Relations Committee for some time and a sub-committee of that committee reported it back, but it has not yet been approved by the full Senate.

There was a question asked by you, Mr. Graydon as to the difference which the peace contract with Germany if it comes into effect, will make in the relations between Canada and the federal republic of Germany? The answer which I indicated in a general way the other day is correct.

I said that the peace contract, if and when it comes into effect, will make very little practical difference in our relations with Germany; because those relations in recent months, since the exchange of direct diplomatic representatives have been in fact if not in theory the relations between two independent states.

I cannot go into the details of the exact changes that the peace contract might make in one or two matters because the clauses of that contract are still secret. I may say, however, that there will be very few changes.

The VICE-CHAIRMAN: Could I ask the minister a question? Will there be a west German ambassador coming to Canada?

Hon. Mr. PEARSON: We have one now. We have an ambassador of the federal republic of Germany—Dr. Werner Dankwort. He is on the diplomatic list and we accept him as ambassador in exactly the same way as the Germans accept our ambassador in Bonn.

There was a question by Mr. Quelch about a pamphlet issued by a communist organization and entitled "We Accuse". This was the report of a visit of a group of women communists and fellow-travellers to Korea.

Mr. Quelch wondered whether we were doing anything about that pamphlet. It has been examined by our legal people. Though it is a deceiving document with statements which are demonstrably untrue but which have been swallowed by the women on this delegation, and though it is certainly a malicious attack on the conduct of operations by the United forces in Korea, it is not I am advised one which would lay the authors of the document open to prosecution here.

In other words, the circulation of that document does not break any Canadian law. It attempts to show that the war in Korea is being conducted by the United Nations forces—in this document they refer mostly to them as United States forces—in a barbarous, uncivilized, and cruel way.

The short answer to that accusation is that an offer has been made more than once by the International Red Cross to go to Korea and to observe what is going on there and report any violations of the laws of war. That offer by the International Red Cross has been made with the knowledge and approval of the United Nations Command.

We accept International Red Cross supervision on the south Korean side of the battle line but the communists refuse to accept that sort of supervision on the north Korean side. That in itself should dispose of the validity of accusations of this kind. It is a pretty terrible document.

Mr. COLDWELL: The difficulty is that they will not admit that the Red Cross is a neutral organization. They say it is an instrument of the western powers—which is quite untrue?

Hon. Mr. PEARSON: That argument has been put forward by the communists only within recent months and for their own purposes; it is inspired by the fact that we suggested the International Red Cross as an international or impartial agency which might dispose of these allegations. It has embarrassed the communists to the point where they deny the impartiality of this organization which has been neutral and impartial for nearly a hundred years.

Mr. JUTRAS: Well, referring to this report, it is particularly significant that the chairman of this supposedly national body is a Canadian citizen—Norah Rudd. They parade under the guise of a supposedly international organization and to a lot of people that is particularly significant. Due to the number of international organizations today they probably attach more importance to it.

In the pamphlet they try to substantiate their statements with a few photographs which have not actually much relation to what they say. Still, it adds apparently to the veracity of what they say.

There is no question but that the objective of this thing is two-fold. It is an attack on christianity and christians—that is the basis of the whole report. It is true they mainly refer to U.S. forces but they also refer to British forces and allied forces. They make direct charges of barbarism. They are trying to paint a picture, and that is the implication of it, that the allied soldiers are barbarians. They try to substantiate it by statements and pictures.

Here is a Canadian citizen, who left Canadian soil, went over there and comes back and says: I was on the spot and here are the pictures, and here is what I saw.

I am afraid that some of that will be swallowed by a great many Canadians. It is the most vicious attack I have ever seen against our troops and against allied troops in Korea.

I do not know about the legal point of view. They do not mention Canadian troops as such in the report and possibly from a legal point of view there is no way of prosecuting the lady in question, but it seems to me those who go out and come back and make such false and misleading statements should have to answer for their actions or their words. Just take the title of it: "We Accuse". If action cannot be taken in court, it is possible that there might be something in having Mrs. Rudd appear before our committee or there may be some form of getting something concrete to contradict this statement and to expose it.

I think it is a very, very serious thing.

Mr. QUELCH: Is the only reason legal action cannot be taken because Canada is not mentioned. Canada is one of the participating nations and, if all that is necessary to avoid legal action is to leave the name of Canada out, it means that they can go on, indefinitely attacking us by drawing attention to the fact that we are in the United Nations organization and then levelling the accusations against the United Nations. It is the worst accusation I have ever read. It is a horrible thing.

Hon. Mr. PEARSON: I am not a lawyer and you are, Mr. Chairman, and I hesitate to express an opinion on this matter. I suppose that if action can be taken legally against the persons who have written or signed or circulated this publication, it can also and should be taken against practically every communist publication in Canada because this kind of thing is repeated in every communist publication. In the "Tribune", for example, you will find stories of Korea which are quite as bad as anything in that pamphlet—It is a weekly publication.

"We Accuse" has, of course, appeared all over the United States too. I believe that no legal action was taken against those who were responsible for it there, but a statement was issued by the State Department pointing out the absurdity of the accusations and suggesting, as I have mentioned previously, that if the communists really believe that sort of thing they should let the International Red Cross—or some other impartial group but not a hand-picked group of communists and fellow travellers—go to Korea.

Mr. Low: Does your department intend to issue such a statement in Canada?

Hon. Mr. PEARSON: We have not issued any statement. We thought at the time the publication was issued that if we officially denied the truth of the charges we would be denying some communist statement every day—and the denials would begin to lose value if we had to issue them so often. The coinage would become a little debased, since that type of communist statement is appearing all the time.

Mr. MURRAY: Is it usual for the mails to carry these things free? These things came in the building in bundles—free.

Mr. JUTRAS: What about the military point of view? I do not know whether this is circulated on the front and among Koreans but it is definitely propaganda to discourage any Koreans from joining the allies and trying to get them to join the communists. From the military point of view it is a document that has very great significance.

It refers, for instance, to the Koreans being misled by American propaganda into joining the allied forces, and then they try to prove that those who did were tortured, crucified, buried alive, and all that kind of stuff. It is definitely a document with the semblance of the kind that would be circulated among the people of Korea to prevent any of them joining the christian forces. They go on to say, for instance, that when the Americans came they tried to force the Koreans to become christians, and those who would not become christians were tortured, or buried alive, and all kinds of charges like that.

This would have some effect I would think on the Koreans and I was wondering if the military people had done anything about it?

Hon. Mr. PEARSON: We can make inquiries, but I doubt very much if this pamphlet was circulated in Korea. The effect, if any, that it would have on the Koreans might be evaluated in the light of the attitude of the North Korean prisoners that have been captured and put into camps in south Korea. In the examination of those prisoners to see how many would be willing to be repatriated, there were some 62,000 who said they would forcibly resist repatriation. Consequently if such propaganda is taking place in Korea it has not had much effect on those people.

Mr. JUTRAS: But it might be intended for that purpose?

Hon. Mr. PEARSON: It is intended, of course, to weaken the United Nations war effort and if possible to create division among the nations who are participating in that effort. To that end the communists will descend to any levels and I think this is about as low as they have descended.

Mr. BATER: You have just mentioned prisoners. What is the position regarding prisoner exchange in Korea?

Hon. Mr. PEARSON: The present situation in regard to that matter is that last Sunday General Ridgway, on behalf of the unified United Nations command made an offer. He made it not personally but through the United Nations armistice negotiators to the communist negotiators. It was a package offer in respect of three points which were outstanding in the negotiations that have been going on for so many months. The three points were: First, whether air fields in north Korea could be improved or extended after an armistice; second, whether Russia could be considered as a neutral for membership on the neutral supervisory commission after the armistice; and third, whether all prisoners of war on either side had to be repatriated whether they wished it or not. Mr. Chairman, you will remember we touched on this matter at an earlier meeting. This offer was a package offer put forward to the communists last Sunday as a firm and definitive proposal, to be taken as a whole, and on which the communists were to say "yes" or "no". I am not in a position now to tell you what the proposal was, because it is secret; all I can say is that it is now under consideration by the communists, and I understand they have asked for a meeting today to give their reply. If they accept, then the armistice can be signed. If they do not accept, I would not like to say what will happen.

Mr. MACDOUGALL: If they do not accept it, where do we go from there?

Hon. Mr. PEARSON: If they do not accept it, one of two things may happen. The present state of limited war may continue indefinitely—there is not as much activity going on at the front now as there used to be before the armistice negotiations and that situation may continue indefinitely; it will be what we used to call in the first war a quiet sector of the front and it may be that for a long time. Alternatively, the war may become violent again if the armistice negotiations break down, and there may be a big communist offensive. I do not know which of these two things will happen.

Mr. QUELCH: Are we contemplating the restoration of the two states, North and South Korea? Are we prepared to compromise on that basis?

Hon. Mr. PEARSON: The United Nations objective remains a free, independent and United Korea. The United Nations passed resolutions to that effect and we have not, I hope, abandoned that objective. But that is the political and diplomatic objective of the United Nations, as indeed it was before the Korean war broke out; the purely military objective is to defeat aggression.

Mr. COLDWELL: That is to say, to drive the invading forces out of the territory which they violated.

Hon. Mr. PEARSON: That is right. It was hoped at one stage in this operation that the two objectives might be achieved almost simultaneously because the military situation was once so auspicious that we thought the aggressor might be driven right out of Korea. Unfortunately, that did not turn out to be the case.

Mr. MURRAY: Is not the Japanese situation disturbing at the moment, with the communists parading and demonstrating there?

Hon. Mr. PEARSON: There were some disturbing developments in Tokyo yesterday on May Day, but they were not as surprising as they were disturbing, because the authorities there expected that kind of demonstration.

Mr. RILEY: They were really rough with our American friends.

Hon. Mr. PEARSON: According to press reports it was an unpleasant occasion.

Mr. RILEY: Is there any estimate of Japanese who are communist sympathizers?

Hon. Mr. PEARSON: Yes, they have a pretty accurate knowledge of the number of communists in Japan. It will be recalled that a year or more ago the Russian government repatriated some Japanese who had been imprisoned in Siberia since the end of the war. The Japanese government had been trying to get their prisoners back since the war without much success. The group repatriated by the Russians turned out to include many tough, hardened, indoctrinated communists. That is why they were repatriated, and they are the hard core of the communist party in Japan.

Mr. RILEY: How many thousands were repatriated?

Hon. Mr. PEARSON: I cannot tell you exactly but it was some thousands.

The VICE-CHAIRMAN: May I revert for a moment, Mr. Pearson, to the implications of Mr. Jutras' question in connection with the pamphlet which was distributed and which apparently was distributed or published by those who had gone behind the iron curtain to make some so called investigations. I noticed in the press last night that the United States has now adopted something similar to that which was suggested in the committee here a week or so ago, and that is a sort of quarantine regulation against these people going behind the iron curtain, and that from now on the United States State Department would require permits to be issued before any of those from the United States would be allowed to go behind the iron curtain on these investigating tours, and I think that matter arises naturally out of what Mr. Jutras had raised, and I was wondering if the department here was going to adopt some similar policy.

Mr. Low: Was it quarantine against their going in or their coming back?

Mr. COLDWELL: Was it exactly a quarantine? Is it not very similar to the warning that is given by the Department of External Affairs that they go at their own risk?

Mr. McCUSKER: The reports indicated that anybody wishing to go behind the iron curtain had to obtain a special permit.

Mr. DIEFENBAKER: Mr. Chairman, the minister pointed out the other day that whether there was a passport or not, a Canadian could get over there. Does that not apply to Americans, too? I was quite struck by that action pointed out a moment ago by Mr. Graydon, in view of what the minister said the other day that no matter what we did it would be meaningless for the reason that these people could travel back and forth.

Hon. Mr. PEARSON: My remarks were intended to mean that any action we might take, or that is being taken, would be rather ineffective because it might merely make it a little more difficult for them to go, since it is always possible for a Canadian to go to Russia and back without a passport provided the Russians want to furnish him with transportation and will accept him. It is,

of course, easier with a passport because a person can go on ostensibly respectable business to certain other countries where transportation to Russia is readily available; but if he goes to Halifax and gets on a Polish ship which may sail, say, from Halifax to Gdynia, he may have no difficulty in getting in and out of Russia. That may apply to Americans also, if they can find the transportation direct from their own country to Russia.

Mr. DIEFENBAKER: Is the minister prepared to say whether, if anyone in the United States contravenes those regulations and actually goes behind the iron curtain by the devious peregrinations to which he has alluded, any penalty terms have been inserted in the order regarding such Americans as break the law, on their return?

Hon. Mr. PEARSON: I cannot say, although I can, if necessary, find out. However, it is quite clear that if an American did that and came back, he would not be granted a passport for the purpose of foreign travel and that might be a penalty. Whether the United States authorities would go beyond that I do not know.

Mr. FRASER: We could do that here?

Hon. Mr. PEARSON: Yes.

Mr. COLDWELL: Is that advisable, though? In that way we would be following the policy set by the iron curtain countries.

Hon. Mr. PEARSON: The policy up to the present time has been not to refuse Canadians the right to travel to other countries. We modified—if it is a modification—that policy last year to the extent that before Canadians travel to iron curtain countries. They have to let us know. They have to report in and out of those countries to a Canadian diplomatic mission, or to a United Kingdom diplomatic mission if we have no representation there. For instance, the Canadians who are known to us to have attended the so-called International Economic Conference in Moscow, all observed our regulations in this respect when they were in Moscow.

Mr. DIEFENBAKER: Is it a fact or not that the international declaration of human freedoms is tentatively, although not legally, binding, and it provides for ingress and egress anywhere in the world. Is that one of the reasons why action is not taken in regard to a matter such as this?

Hon. Mr. PEARSON: It is not a particular obstacle if we decided to take action. The declaration, as you say, is a guide but it is not legally binding. It does provide in part for freedom of travel, but there is also in the declaration—I speak subject to examination of the declaration—provision for modification of any of the provisions in the interest of national security, and that can cover a lot.

Mr. RILEY: I would like to ask the minister now in reverse. Are any non-Canadians being permitted into the country for the purpose of attending this peace and trade conference in Toronto next week?

Hon. Mr. PEARSON: There may be some, but I am not yet aware of them. However, I do know of one to whom we refused to give a visa. This woman is a Belgian who was expelled from the Belgian socialist party.

Mr. FLEMING: Madam Isabelle Blume.

Hon. Mr. PEARSON: Yes.

Mr. FRASER: May I ask, Mr. Chairman, if Canada has an excludable list, as the United States have?

Hon. Mr. PEARSON: No, as far as I know we have not got what they call a blacklist.

Mr. FRASER: I believe they call it an excludable class.

Hon. Mr. PEARSON: Yes, they have a very large list indeed, and we have had a good deal of correspondence at one time or another with the United States government in respect of the inclusion of Canadians on that list. Some of these Canadians feel they should not be on it and yet they are being prevented from entering the United States. In a few Canadian cases we have been able to convince the United States authorities they have been mistakenly included.

Mr. FLEMING: But not in all cases?

Hon. Mr. PEARSON: No.

Mr. FRASER: Do you think that this woman, Nora K. Rodd, chairman of the women's international democratic federation in Korea, would be on the American excludable list?

Hon. Mr. PEARSON: I have not seen the list but I think it highly likely that she is on it.

Mr. FRASER: We hope she is on it.

Mr. DIEFENBAKER: I notice in the last few days that the world traveller, Mr. Endicott, is on his way home and he is going to communicate with you and honour you with an early visit. We would like to know whether he has been in touch with you yet? Also, two or three other matters: One is that now he is reported to have said his statement regarding germ warfare never had Canada in mind, and that the Moscow radio did one of those unusual things of misconstruing what he said.

Mr. GAUTHIER (*Portneuf*): That will be a matter to settle with Stalin.

Mr. DIEFENBAKER: Yes. But he has repeated it there, and also members of his group in Canada have repeated that there has been germ warfare in Korea. I would ask the minister whether or not the United States government has made even a formal denial of that, because, of course, everyone realizes it is not true, but the lack of denial in a matter as serious as that often results in credulous people accepting the statement as being true. I wonder if the minister could bring the committee up to date, and also as to whether or not the Department of Justice has now arrived at a legal opinion. They have had about four weeks to do it, as to the liability of anyone making a statement such as that, even though now stating that he did not refer to Canada but other nations, even the United Nations, as to whether or not that is considered by the law officers to be seditious.

Hon. Mr. PEARSON: If I may take the last question first, I really feel that an authoritative opinion on this point can only come from the Department of Justice, or some legal expert and I am not one. I have no doubt that it would be possible to have representatives of the Department of Justice come before the committee and give the committee the benefit of their views. I understand—and this must be regarded as an “amateur” opinion—that an examination of the reports of what Endicott has said has resulted in grave doubts in the minds of the examiners as to whether he could be convicted on the basis of those reports. However, as I said the other day when this question came up, we will give Dr. Endicott an opportunity to deny or confirm them. And we have now collected in the department all the reports that we have been able to get such as translations from Chinese newspapers, broadcasts from China, and broadcasts from Prague. They pretty well cover the statements he has made, and we are sending them to him with a letter from the department asking him to confirm or deny their accuracy.

I have also received a telegram from him saying that he is returning to Canada by BOAC today and asking for an opportunity of making a personal report to me on his activities before he reports publicly. I do not know whether I am supposed to be impressed by this consideration or courtesy on his part,

but I have not yet answered his telegram and I do not think any action is required in respect of it, at least until we see what kind of reply he gives to our written communication.

Mr. COLDWELL: I have had several letters as a matter of fact, and I think that a good deal of, shall I say, colour is given to those reports on germ warfare by statements made by some of our scientists, as to what was done in the last war when we were threatened with biological warfare by the Nazis, and we took counter measures and prepared to meet them if necessary with retaliation. I was wondering if it could be cleared up by having somebody appear here, let us say, Dr. Solandt himself, who would just give the committee a statement which could be publicized across Canada and which would refute all the statements being made across the line and thereby enable us to reply to the inquiries that we receive. I have received inquiries from quite prominent people in the country who are worried about this and particularly the fact that during the late war we had to take some counter precautions in this particular field; and much has been made of this as colour to Dr. Endicott's statement, or statements of some kind. So I wonder if we could not get someone like Dr. Solandt to come here and tell the committee what the situation is. I am quite convinced, as I think all the members of the committee and most Canadians are that we are not indulging in any biological warfare.

Mr. STICK: Mr. Chairman, I am of the opinion, although I do not know, that the more we take notice of this kind of thing, to that extent we are only advertising it and bringing it to the notice of the public; and if we start to give notice to everything that Dr. Endicott suggests, it will only please him and his party.

Mr. RILEY: You cannot ignore cancer.

Mr. STICK: You can cut it out.

Mr. RILEY: That is not important.

Mr. STICK: You made a statement to me that it is cancer, but to me it is not cancer. I think we are paying too much attention to it. Now, I am as loyal a Canadian as anybody, but if we are going to pay too much attention to crackpots who are running around—

Mr. COLDWELL: I do not think they are crackpots, when they influence people; that is the trouble. I agree as far as Dr. Endicott is concerned, but I was thinking of the other matter, biological warfare.

Mr. STICK: I was thinking of Dr. Endicott and the communists, and if he be asked to come before this committee or something like that, it is only going to advertise him in the eyes of the Canadian people. So I think we should go slow about it.

Mr. COLDWELL: What do you think of my suggestion of having Dr. Solandt here?

Hon. Mr. PEARSON: I think that Dr. Solandt is far more qualified to talk about this matter than I or anybody in my department. It might possibly be helpful if some statement by a man of his qualifications could be made, to set at rest any worries that might exist in some weak minds that we have indulged in this horrible practice, or that we are preparing for this kind of warfare. It is of course quite true that we have developed defences against bacteriological and chemical warfare. Any government which is responsible for the safety of its country, and which has regard to what might have happened in 1939 to 1945, would be derelict in its duty if it did not give attention to these matters; but for those who themselves are engaging in ideological germ warfare to draw from that the inference that we are preparing for aggressive bacteriological warfare is wrong and misleading, to say the least. If I may add one other

observation, this ideological germ warfare does in a sense thrive on heat and publicity. But if the committee so desires, we can inquire whether Dr. Solandt could throw any light on the question.

Mr. MURRAY (*Cariboo*): You have a bacteriological outbreak in this country at the present time, the cause of which has not been determined, in respect to cattle.

Mr. FLEMING: I presume the minister is aware that Dr. Solandt has already made public a vigorous denial, and he could not make a more direct and emphatic denial than he has already made.

Hon. Mr. PEARSON: That is right, and I would not like it thought that no attention has been paid to these charges. In Washington there have been complete, vigorous and emphatic denials.

Mr. COLDWELL: I think if Dr. Solandt could come here to our meeting, it would get more publicity than it has yet received.

Mr. GREEN: Do you not think that to take a step of that kind is in effect trying to answer charges made by irresponsible people who are communists? Surely this committee should not be turned into an organization of that kind, to spend its time calling people in here to answer statements that Dr. Endicott may make. It seem to me that we would only be advertising him and the communists, and getting ourselves into a field of activity for which this committee is not set up.

Mr. FLEMING: By denying charges which I think all of us are satisfied are not true, we would simply be lending ourselves to the purposes of their propaganda.

Mr. MACDOUGALL: There is another aspect of this question and I think most Canadians would appreciate the action of a denial by Dr. Solandt, and would appreciate that Dr. Solandt is one of Canada's greatest scientists, and that we might be just a little derelict in our duty if we were not ready in preparing ourselves in the event of a sudden attack of germ warfare against us in having ready a counter attack. But might it not suggest in his mind and also in the minds of those scientists who are working with him, that it is the desire of the Canadian people that such an action be not taken? I do not think that any Member of Parliament wants to have that impression go out across this land.

Mr. FLEMING: May I raise another matter now, Mr. Chairman?

The VICE-CHAIRMAN: A question has been raised about Dr. Solandt appearing before this committee. I would think that this committee, and particularly the steering committee, ought to give pretty careful consideration to it before any decision of that kind is made. I think the minister would agree with me on that, although he might have been trying to meet the wishes of the committee. But I think that the wishes of the committee ought to be guided by a little more mature and careful consideration before we decide to do that.

Mr. FLEMING: We have not touched on the question of the problem of defence and security in the near east. We were in the far east. We know the concern that was aroused in Washington when Mr. Churchill addressed the Congress and proposed that in view of the strategic position which the Suez holds in the world and its importance for the whole defence of western Europe, that the United States should bear some burden or participate in the defence. So may I ask if any similar proposal was made to the Canadian Government at that time, and if so what the reply of the Canadian Government was. I am not unmindful of the fact in asking that question that there was an arrangement made on the part of the United Kingdom, Australia and New Zealand, I believe, for some form of participation. Would the minister make a statement on that question and indicate the position the Canadian Government has taken in respect to any representation made to them in that regard?

Hon. Mr. PEARSON: Mr. Chairman, this important question of collective defence in the middle east has been discussed at NATO and in exchanges between the governments concerned. We have participated in the NATO discussions. At one stage we felt that probably the most effective plan for the defence of the middle east on a collective basis would be some form of Mediterranean security pact which would include such countries as Turkey, Greece, Egypt, France, the United Kingdom, and the United States; and that that group of countries would take over the responsibility for planning for the defence of the Suez Canal and the middle east and that they work out some kind of association with NATO. But, as you know, that did not turn out to be feasible. Turkey and Greece felt that membership in the NATO pact was a preferable alternative from their point of view and the United States strongly supported them; and that was the decision reached at the Ottawa meeting of the North Atlantic Council last September.

Greece and Turkey are now full members of NATO. As such, they are participating in a Mediterranean command which is being organized under NATO, but the organization of that command has not yet been completed although I hope that this will be done shortly. Great progress has been made. That command will not include all the members of NATO but only certain countries which are of importance to the defence of this area. The proposal has accordingly been made, as no doubt you know, that there should be associated with the NATO countries in that command, other countries which would take a share of responsibility for the defence of the area. They include South Africa, Egypt, Australia, and New Zealand whose interest in the middle east has been demonstrated in two wars, and who have a special concern in the freedom of the Suez Canal. But we have not been asked to participate. I do not make any special point of that because I do not want to mislead the committee by suggesting that we had not already let it be known that this matter was under discussion and that we would not wish to participate in the arrangements. We have our own commitments in Europe and indeed in Korea, and they, in our opinion, should not be extended to include participation in a Mediterranean or near eastern command. Having expressed that view, naturally we were not invited to participate. That is the position so far as Canada is concerned.

Mr. FLEMING: I wondered if there now remains any practical difference. With the inclusion of Greece and Turkey in the NATO Treaty Organization, with the mutual commitments that then arise, does very much of a practical difference remain between the obligations we have assumed and those that apparently the Canadian Government indicated in advance it was not prepared to assume in that particular theatre.

Hon. Mr. PEARSON: We must admit that no matter where aggression takes place, no matter in what part of the NATO area the threat of aggression appears, whether it be in Turkey, in the Mediterranean, or up in Norway, we would be involved. This does not mean however that we should now participate in defence planning and make available now certain forces for a Mediterranean command. The government decided that it would be undesirable for us to make that advance commitment. But we have sent forces to NATO's western European command. Nor have we any direct participation in the northern European command which is a separate NATO body covering Norway and Denmark. We have taken the same attitude toward the Mediterranean command. I am sure however, that we are all aware that if general aggression takes place in that area, we shall be involved just as if we were actually part of that command. Moreover as a member of NATO, of which at this time we are providing the chairman for the central military committee, we know what is going on; and we take part, in that general sense, in measures concerning all commands.

Mr. FLEMING: What is the situation with South Africa in connection with this problem?

Hon. Mr. PEARSON: South Africa has agreed to associate herself in planning for the defence of the area of the Suez, and so has Australia and New Zealand.

Mr. GREEN: How does the plan you just mentioned fit in with the NATO organization? Do you mean that some nations which do not belong to the NATO organization would come into a joint command in the Mediterranean area? How do you tie that in with NATO?

Hon. Mr. PEARSON: That is the problem they are trying to solve. In two of those countries, Greece and Turkey specifically, which are Mediterranean countries, and also Italy, there would be no problem if this were just a NATO command; but there are other countries whose importance to the protection of this area is as great as that of Greece. And the question is how to associate them with the planning and the protection of the area while they are not members of NATO. This complicated problem I think will be ready for consideration at the next ministerial meeting of the North Atlantic Council. There has been of course the additional difficulty of the dispute between Egypt and the United Kingdom over the Suez Canal area. One of the main objects of this Mediterranean command would be the collective defence of that area.

Mr. GREEN: That would be the main object, would it not?

Hon. Mr. PEARSON: The most important single object. With it in view the British have put to the Egyptian government certain proposals which, if they are accepted, will result in the withdrawal of the United Kingdom from the sole responsibility for Suez defence. Discussions on this matter have been going on between the United Kingdom and the Egyptian governments for some weeks, and I think they have made very good progress. But associated with this problem is that of the Sudan, which is also in dispute between the United Kingdom and Egypt; and here negotiations have not yet been completed. However, if Egypt and the United Kingdom can come to an agreement, I think that there can be worked out a collective plan or a collective organization for the defence of the Suez which is quite impossible so long as the Egyptians and the British are facing each other in hostility.

Mr. GREEN: Is it hoped to include Israel in this Mediterranean command?

Hon. Mr. PEARSON: At the present time it is not possible to include both Israel and the Arab states. I am sure it is hoped that at some stage they will be included; but the relationship between Egypt and Israel is now such as not to make it easy for them both to take part in any international organization.

Mr. COLDWELL: I can see how they would fit in provided some of the other countries were willing to get out of Egypt. It is difficult to see how this could be reconciled with the charter if it is extended from Australia right up to the United Kingdom.

Hon. Mr. PEARSON: I do not myself see any theoretical difficulty in that, because article 51 of the charter provides not merely for regional organizations but for collective defence on a narrower basis than the United Nations.

Mr. GREEN: Is our position Mr. Pearson, that we are under obligation to go to the defence of Turkey if she should be attacked but that we are not under obligation to help defend the Suez canal?

Hon. Mr. PEARSON: If there was an aggression against the territory of the Suez canal we would have the same obligation in respect of that aggression as any other. We have no special obligation arising out of NATO with respect to the Suez canal at all. If there was an attack on Turkey, as Turkey is a member of NATO under the North Atlantic Treaty we would be obliged to come to her assistance.

For that purpose there are Canadian and other troops in Europe. Whether they are in Europe or in Turkey, they are part of the NATO forces. This does not apply in the same way to an attack on the Suez canal because we have not a specific NATO obligation at this time toward the Suez and its protection.

Mr. FLEMING: I think it is a rather strange thing, without belabouring this point, in the light of history—it may be theoretical only, that our obligations with respect to the defence of the Suez are at the moment lower on the scale than those for the defence of Turkey?

Hon. Mr. PEARSON: I agree it is a strange development in history—but it is more strange in theory than in fact, because if an aggression were committed against the Suez canal by any major power that would be World War III. It would not make much difference whether anyone had a special obligation or not; we would soon all be in it.

Mr. STICK: It would have to be defended anyway.

Mr. FLEMING: I was going to ask the minister a question about Greece and whether he has any up to date information about the repatriation of those Greek children who were stolen from their homes by the communist raiders. I think we are acquainted with the fact that there was repatriation of some of them from Yugoslavia after Tito began to show some independence against the demands of the Kremlin. However, the number returned from Yugoslavia was pretty small and the reports seem to indicate these children had been spirited further north and east, deeper into the Iron Curtain countries. Has the minister any information on that? Is any headway being made in the United Nations on this very sad problem?

Hon. Mr. PEARSON: This question comes up regularly in the United Nations. The information we get is substantially that which has been given by Mr. Fleming. The Yugoslav government has been co-operating in this regard since the relations between Yugoslavia and Greece have improved. They have, I think, sent back the Greek children in their custody. There were very few because so many had been moved earlier into Czechoslovakia, Bulgaria, and Roumania. There has been no co-operation by those countries in this humanitarian problem. They have never done anything to repatriate these children. That is my information.

One reason why this matter is not as much in the public eye as it was is that some of the children have grown up and become communists. That was the purpose in spiriting them away.

Mr. Low: It has been quite a number of years?

Hon. Mr. PEARSON: Yes, quite a number of years. I do not want to over-emphasize this, but in some cases I suppose it would be almost an embarrassment if those adult children were to turn up in Greece—because some of them are certainly communists now.

Mr. FLEMING: That certainly would be the case with those who were older when abducted by the communists.

This was at its high five years ago and they were even taking children under a year. They were ripping babies out of the arms of their mothers and one would hope that those children were not yet confirmed communists—notwithstanding efforts to indoctrinate them.

I know the minister's interest in this and I just hope that the Canadian delegates to the United Nations, and any other international meetings where they have a voice, will not be second to any other country in keeping this matter before the world.

Hon. Mr. PEARSON: We certainly will not be, Mr. Chairman, because this is one of the most nefarious actions of the communists in Europe. The efforts which were made by the International Red Cross, as a result of the United

Nations resolution to restore these children, have led to nothing. It throws a queer and clear light on the humanitarian feelings of the communist governments.

Mr. STICK: Have they got such things.

Mr. RILEY: Would the minister have any knowledge of the abduction of Hungarian Jewish children presently rumoured to be going on.

Hon. Mr. PEARSON: There was quite a clean out of Hungarian bourgeois families from Budapest a year ago. It was a terrible thing. I mentioned it in my opening speech at the United Nations Assembly last year. Vishinsky, in his speech, had made some rather nasty remarks about human rights of negroes in Florida. He quoted the case of one man, and I mentioned the 12,000 or 15,000 or 20,000 Hungarians deported to Siberia. Of course, all he said in reply was that I was just slandering the USSR.

We have heard nothing from Budapest of any new exodus of that kind but in Roumania they seem to be cleaning out all the remnants of the bourgeois middle class. It is the usual communist technique of a rap on the door in the middle of the night, half an hour to get dressed, and disappearance.

Mr. STICK: May I get back to the defence of the Mediterranean. Can you bring us up to date on the position in Tripolitania and Salonica—when they become independent—if they have not so become already?

Hon. Mr. PEARSON: They are independent now as the State of Libya and we have recognized that. They are under the rule of King Idriss I and they are building up with help, mostly from Great Britain, a fairly stable political society; but it will have its problems because it cannot be economically very viable. There are also agreements between the state of Libya and the United Kingdom and, I think, with the United States for mutual protection.

Mr. COLDWELL: Was the recommendation that the bloc of nations to be received into the United Nations should include a recommendation regarding Libya and its inclusion?

Hon. Mr. PEARSON: I believe Libya had been accepted, except in the Security Council. It was not in that general deal.

Mr. COLDWELL: It was separate I think—speaking of the recommendation regarding the inclusion of Libya. Or was it approved?

Hon. Mr. PEARSON: I am pretty sure Libya is not now a member of the United Nations.

Mr. COLDWELL: I do not think approval was given. I think it was hooked up with this other thing.

Hon. Mr. PEARSON: Perhaps Mr. Lesage could say definitely since he was at the assembly at the time.

Mr. LESAGE: Libya is not a member of the United Nations now. The security council has not approved it.

Hon. Mr. PEARSON: The assembly may have acted but the security council has not.

Mr. LESAGE: So Libya cannot be a member of the United Nations.

The CHAIRMAN: Are there any other questions of the minister?

Mr. QUELCH: Yes. In the event of an attack by Russia on Yugoslavia the nations of NATO would not be in any way committed, but as members of the United Nations if the General Assembly were called together and declared Russia the aggressor then those nations would be involved?

Hon. Mr. PEARSON: We have no NATO commitment to come to the defence of Yugoslavia. We have a commitment as a member of the United Nations to help Yugoslavia in a way which would be determined by us if she was the

victim of aggression. Whether an attack on Yugoslavia would involve a general war or not is a matter for debate. If it were full fledged aggression committed by or on the orders of the U.S.S.R. I suspect that would be World War III. It is just as well to know in advance the things that will cause World War III because foreknowledge is sometimes the best way of preventing calamity.

If, however, it were a limited local attack by Hungarian or Bulgarian forces, the Yugoslavs might be able to deal with it without too much trouble and prevent it from spreading; and it might not develop into World War III.

Mr. QUELCH: Is there any understanding between Yugoslavia and the U.S.A. regarding the defence of Yugoslavia?

Hon. Mr. PEARSON: There is an arrangement for United States assistance to Yugoslavia. That assistance has been given in the form of equipment. There is no political agreement or mutual defence treaty.

In the May day parade in Belgrade yesterday the communist army—Yugoslavia is communist although not a Stalinist state and there is quite a difference—was armed to a very considerable extent with American equipment. Their representative to the United Nations told me the other day when he was here that if you were in Belgrade on the 1st of May you would see their army parading down the street with a good deal of new American equipment.

Mr. COLDWELL: In Europe May day is observed by more than the Communists. In France, Belgium, and so on you will find parades?

Hon. Mr. PEARSON: Yes.

Mr. COLDWELL: But the communists have sort of taken it over?

Hon. Mr. PEARSON: They have taken over a lot of things. They have taken over May Day and words like "peace", "freedom", and "democracy".

Mr. FLEMING: At the last meeting a question was asked of the minister concerning the status of General Kurt Meyer. My recollection is the minister was going to look into the matter further. I wonder if he is now in a position to make a comment on it?

I would just like to draw his attention to reports that are now appearing in the press. I have one dated April 23 which reads to this effect. It is headed:

Canada may lose plea for Meyer case voice. The government—That is the Canadian government because this is datelined at Ottawa.

—is making strong efforts to ensure that Canada will not be shut out of any clemency proceedings which may be initiated on behalf of Major General Kurt Meyer after the western powers sign a peace agreement with western Germany. But officials are not too hopeful of a favourable result.

The question asked of the minister at the last meeting was whether any representations had been made to the government by the federal west German republic?

Hon. Mr. PEARSON: Yes, you asked me that question the other day and it is on the list of questions and answers that I have before me. There have been no representations made by the German federal government in respect of the release or remission of the sentence of Kurt Meyer apart from that of the German ambassador last October 15. Mr. Chairman, I dealt with the matter in the House of Commons on October 22, 1951, when I said that those representations were made and that we had told the German ambassador they could not be accepted. We have heard nothing from the German federal government since on this matter.

Mr. FLEMING: Would the minister then comment on this press report that the Canadian government was making strong efforts to ensure that Canada would have some voice if an attempt is advanced now to seek release of Kurt

Meyer? What is his status in relation to the Canadian government? He was once our prisoner. He is now in a prisoner of war camp, in Werl prison, in Germany?

Hon. Mr. PEARSON: That is a German penitentiary in the British zone of occupation under British control.

Mr. FLEMING: Has the Canadian government lost all control over Meyer?

Hon. Mr. PEARSON: No, we have not lost any control over him. We have exactly the same control over him that we had when he was in prison here at Dorchester. We have made that quite clear to those who are looking after his detention. There was a question on this in the House last October 22. Mr. MacInnis asked, "May I ask the minister if Kurt Meyer can now be released without the express authority of the government of Canada", to which Mr. Claxton replied "No". That remains the position. The peace contract which is being negotiated with Germany will, however, have provisions governing war criminals and other prisoners in allied hands, just as the treaty of peace with Japan had such provisions. I am not in a position, of course, to say at the moment what those provisions are, because the peace contract is still under negotiation.

Mr. FLEMING: Negotiations between whom?

Hon. Mr. PEARSON: Between the federal republic of Germany, on the one hand, and the three western occupying powers, on the other. We have been kept informed of these negotiations and have been given an opportunity to express our views in respect of them. We have a special interest in some of these provisions—one of them will cover war criminals—because there are two war criminals under Canadian jurisdiction.

Mr. COLDWELL: Who is the other one?

Hon. Mr. PEARSON: The other one is Johann Neitz. Representations have been made by the German federal government for the remission of his sentence or his release, but they have been turned down. We are taking steps, which I hope will be found to be satisfactory, to protect the interest of the Canadian government in these war criminals, no matter what kind of peace contract may be signed between the occupying powers and Germany. I cannot tell you the details now, because they are still under negotiation and it is still a very delicate matter to conclude these negotiations and get them signed, as it is hoped this month. There are very great issues at stake in this peace contract, and we would not want to take any action which might lead to the failure of these negotiations or, indeed, their unnecessary prolongation. All I can say now is our interest in these two war criminals has been recognized by the negotiators on both sides and we hope that that interest will be protected by any peace contract that may be signed.

Mr. FLEMING: And is the position that the Canadian government is asserting one that Meyer and Nietz should be retained as prisoners and not released?

Hon. Mr. PEARSON: Yes indeed. We do not expect the peace contract will have the effect of automatically releasing those war criminals. We have an interest in whatever action in the future may affect their sentence.

Mr. RILEY: There is just one sphere I would like to have you comment on. How valuable in the success of their work is the social aspect of the representatives of our External Affairs in other countries?

Hon. Mr. PEARSON: I would prefer to call it the representational aspect of their life. It involves social activities, but they are not social activities carried on for the sake of social enjoyment; they are part of their diplomatic duties which involve a good deal of representational work. It is important,

but it can be exaggerated. The days of grand diplomatic state balls and dinners with 50 or 60 people in uniform and decorations have gone, but it is still very important in diplomacy to get to know the people of the country and the government to which you are accredited; and for that purpose it is useful to entertain them, and make friends with them, since that is one of the best ways of finding out what is going on. Not only in foreign countries!

Mr. RILEY: How do the allowances from Canada, paid or made by Canada to their representatives, compare generally with those of other countries?

Hon Mr. PEARSON: I would say that, generally, our allowances are probably below the average of those of other countries of similar or greater importance than we are. I think we have kept ours down to a reasonable figure. In some cases I think they are too low, possibly in a few cases too high. We are reviewing the allowances all the time and adjusting them as experience indicates adjustment is required. If we have any temptations to become extravagant in regard to allowances, that temptation is pretty effectively countered by the Treasury Board, who are continually after us. Mr. Moran, when the Committee is back on the estimates, can give you a lot more details. I would say from experience in the field, and I have had some years abroad, that the allowances used to be too low; certainly we had too difficult a time to get along and we were at a disadvantage vis-à-vis our opposite numbers whose allowances were sometimes twice as high as the Canadian allowances. By and large, however, the situation is satisfactory now. I do not think we are extravagant in this matter, and that we give our people as much as they need.

Mr. FLEMING: I raise a matter now which comes a little closer to home. The Canadian government signed the Geneva trade agreements, and agreed to the inclusion of article 5, which bound the Canadian government to permit highway traffic to proceed in bond across Canadian territory from American points of origin to American destinations. Now, the Canadian government, of course, did not have jurisdiction in that matter at the time and that was recognized when the committee was discussing this subject several years ago when we had this agreement under review. However, it appears that the Canadian government in the meantime has been exerting increasing pressure upon the government of the province of Ontario to open up its highways to this traffic, principally between Detroit and Buffalo and thence to New York and points on the eastern seaboard, and recently in a speech in the Ontario legislature Premier Frost indicated that the Ontario government had found the pressure, principally, I gather, from the Secretary of State for External Affairs, was so strong that, contrary to their previous view—and I rather think contrary to their own wishes—they felt compelled to yield and to open up these already over-burdened highways in Southern Ontario to this traffic, which is going to be very heavy and, I am convinced, very damaging to these highways. In the course of his speech the Premier of Ontario read either one or two letters which had been directly written to them by the Secretary of State for External Affairs on this subject within recent months, and the description he gives to the pressure from Ottawa indicates that it was a very intensive pressure. Now, I would like the minister, if he cares to, to make a statement on the subject and indicate why the Canadian government should have felt justified in putting this pressure on the government of the province of Ontario to carry out an obligation which the Canadian government entered into at Geneva without at that time the slightest reference of the matter to, or consultation with, the government of the province principally concerned, or, for that matter, with the government of any Canadian province.

Hon. Mr. PEARSON: Mr. Chairman, that is another question. I am covering a lot of the waterfront this morning and it is difficult for me to keep the details of all these matters in my mind. This is a question where I think I had better be scrupulously accurate in anything I say because it has a considerable measure of importance locally.

Mr. FLEMING: Would the minister prefer to leave it to a later meeting?

Hon. Mr. PEARSON: I think I will have to say something more about it later, but I will say this now, that nothing we have done in our approaches to the government of Ontario could be described as strong or inappropriate pressure. I would not call it that myself at all, and perhaps the best way to judge whether it could be considered as such would be to have a look at the letters in question. If this can be done—and it may require the consent of the provincial government—I think it would be a good thing to produce the letters.

Mr. FLEMING: Well the premier read at least one of your letters in the Ontario legislature.

Hon. Mr. PEARSON: He may have read one, or a part of one, but I think we had better have all the correspondence. If I were writing him a letter once a week on this subject, that might constitute pressure irrespective of the nature of the language. On the other hand, if I wrote him once a year maybe the language could justifiably be a little stronger. What has happened is well known, of course, we signed this GATT agreement in Geneva. We knew quite well that the implementation of this part of the agreement—trucking in bond—was a matter for the provinces and we made that reservation at the time. That is a well understood reservation in the signature of international agreements with federal states. The United States had the same problem and they took exactly the same attitude as ourselves. They signed the agreement and we signed the agreement but truck in bond was subject to state or provincial action.

Mr. FLEMING: But it does not appear in the treaty?

Hon. Mr. PEARSON: It appears on the records of the conference. There was no misunderstanding on the part of those who were at the conference, as to what we undertook in this respect. The undertaking of the federal government in international law in treaties of this kind which require provincial implementation is to do what we can to see that such implementation take place, and we have carried out that obligation from time to time—nearly always after the Americans have pressed us—by passing on their requests to the province of Ontario. We were pretty hesitant about making this concession at the international meeting in the first place, but in order to get certain other concessions we had to make certain concessions ourselves. This was part of a general bargain.

Mr. COLDWELL: Which we have kept but the Americans have not?

Hon. Mr. PEARSON: I think that we have not yet kept this particular part of the bargain.

Mr. COLDWELL: This was an understanding?

Hon. Mr. PEARSON: No; it was for the province to implement.

Mr. COLDWELL: How could you commit yourself for the province of Ontario?

Hon. Mr. PEARSON: We made an international agreement with the United States and we let the United States know that in certain matters the implementation of that agreement required provincial action. They accepted the international agreement on that understanding that the provinces were the only ones concerned with this particular matter.

Mr. COLDWELL: It was conditional, then?

Hon. Mr. PEARSON: It was conditional in that sense. We have an international obligation to do our best to see that this obligation is carried out.

Mr. COLDWELL: Yes.

Hon. Mr. PEARSON: To do that, we have been in touch with the government of the province of Ontario. It is a matter for the province of Ontario to decide and I do not think they will decide it except on the basis of their own interests. There are a good many other aspects of this question. The Americans have ways in which they can retaliate but I do not think I need to go into that. There is the shipping of motor cars from Windsor across American territory to western Canada in bond. That is now allowed. But they might say: "if you do not—if the province of Ontario is not able to co-operate with the federal government in carrying out this part of an international agreement—then we will have to see if we are able to continue to give you the privilege of shipping Canadian motor cars from Windsor to western Canada across the United States in bond". There are various considerations of that kind that have been put. The government of Ontario have not yet taken any action in this matter. At least, we have not heard that they have.

Mr. FLEMING: The Premier of Ontario felt obliged, although reluctantly, to introduce a bill for this purpose and it was passed at the recent session of the legislature, just in the dying days of the session.

Hon. Mr. PEARSON: I think I have read that in the press.

Mr. FLEMING: I have read the whole transcript of the *Hansard* in the Ontario legislature and the minister put much of the responsibility for the action that he reluctantly felt obliged to take in introducing that bill on the Ottawa government for the pressure which it had exercised, and he said that the American authorities had been applying pressure, I take it, on the government, but that the principal pressure came from the Department of External Affairs at Ottawa.

Hon. Mr. PEARSON: That may be a matter of opinion. I do not admit that we brought undue pressure to bear on them, nor have we heard from the province of Ontario what they have done. I have written them in the last few days to inquire whether they have taken any action because we have had no communication from the province of Ontario to tell us what they have done. That may be due to an oversight. I am not quarrelling about it. I would suggest also there might have been pressure from sources other than the federal government.

Mr. FLEMING: I know that the American government were putting pressure on you.

Hon. Mr. PEARSON: I did not mean the American government. I meant there may have been pressure brought to bear on the provincial government from Ontario sources as well as from Ottawa sources to have this done. Since I have not read the provincial minister's speech and I have not read the bill, I do not know officially what has happened.

Mr. COLDWELL: Was there any consultation regarding the reading in of letters in the Ontario legislature emanating from the department?

Hon. Mr. PEARSON: We have had no correspondence with the Ontario government on this, if they desired to read letters from us in the Ontario legislature, the normal practice would be to get our consent beforehand.

Mr. STICK: Did they consult you before they introduced this bill which Mr. Fleming speaks of?

Hon. Mr. PEARSON: To my knowledge, they did not consult us; but we asked them to do certain things if they felt they could do them. Therefore,

if the bill carried out or met our requests, they may have considered that consultation was not necessary because they were doing what they knew we wished them to do.

Mr. COLDWELL: The Ontario government is probably simply following the precedent which existed before 1939. My recollection is that the reading of letters did not require the consent of the other party. But in this day it may be something new in our procedure.

Hon. Mr. PEARSON: We shall get together with Mr. Fleming on the facts about this, and about these letters, and the kind of approaches we have made over the years.

Mr. FLEMING: The bill that was passed was an enabling bill; but the regulations which are contemplated by the bill have not yet been promulgated. That may be the reason you have not heard of a definite action being taken when the bill was passed.

Hon. Mr. PEARSON: Yes. They may be waiting for the regulations before they inform us of the bill.

Mr. Low: Has there been any difficulty with respect to American trucks and materials going over British Columbia roads to Alaska?

Hon. Mr. PEARSON: There has been no difficulty about that; they make shipments in bond across Canadian territory.

Mr. FLEMING: The routes which the Americans take are absolutely parallel to our railways which employ Canadian men.

The VICE-CHAIRMAN: Are there any other questions you want to ask of the hon. Mr. Pearson?

Mr. FRASER: Has he got any questions ready for answer?

Hon. Mr. PEARSON: There are two questions which I now have which came up at previous meetings; one from Mr. Murray—

What information is available regarding the exploitation of the opium traffic by the Chinese communists, with special reference to the use of opium by the Chinese communist troops? Do the Russians know about and approve of any such traffic that there may be?

The information we have been able to obtain on this indicates that there has been heavy illicit traffic between communist China and other Far Eastern countries, and also that the traffic is well organized. No doubt the communist government in Peking know about it. I understand that opium and other narcotics may have been found in the possession of Chinese prisoners, but whether or not, any special significance can be attached to that I do not know.

Mr. COLDWELL: Are we getting any of that illicit exported opium in Canada?

Hon. Mr. PEARSON: I have not heard; but this whole subject is being discussed at the United Nations narcotics commission. Then we have also received several reports of alleged use of drugs by Chinese and North Korean troops in Korea. These reports are of varying reliability.

Another question was:

Did all the Canadians who attended the recent International Economic Conference in Moscow report to our embassy?

The Canadians known to us to have attended the so-called International Economic Conference did report to our Embassy.

And then, finally, Mr. Higgins asked:

What are the circumstances of the closing down of the United States forces radio station VOUS at Pepperrell base?

I think that has been dealt with in the House, but so far as the Department of External Affairs is concerned the decision to close down that radio station was taken by the United States authorities on their own initiative and not as a result of any Canadian request.

Mr. STICK: I think you used the words, "at their own request".

Hon. Mr. PEARSON: Not on any Canadian request.

Mr. STICK: Would not that question be handled more by the C.B.C.? The C.B.C. have the control of broadcasting.

Hon. Mr. PEARSON: The Department of Transport also deal with this question in so far as it concerns that department. Mr. Chevrier mentioned the matter in the House.

Mr. FLEMING: Is it not rather a matter for the radio division of the Department of Transport?

Hon. Mr. PEARSON: Yes.

Mr. FLEMING: Under its regulations?

Hon. Mr. PEARSON: That is right, Mr. Chairman. There has been no correspondence between governments, since any such correspondence would go through the Department of External Affairs. That is the last question, Mr. Chairman.

The Acting CHAIRMAN: Thank you, Mr. Pearson.

The Committee adjourned.

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(HOUSE OF COMMONS
Sixth Session—Twenty-first Parliament, 1952

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. BRADETTE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 7

MONDAY, MAY 5, 1952

Main Estimates of the Department of External Affairs

WITNESS:

Mr. H. O. Moran, Asst. Under-Secretary of State for External Affairs.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
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MINUTES OF PROCEEDINGS

MONDAY, May 5, 1952.

The Standing Committee on External Affairs met at 4.00 o'clock p.m. this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Benidickson, Bennett, Bradette, Coldwell, Fleming, Fraser, Graydon, Low, MacDougall, MacKenzie, McCusker, Murray (Cariboo), Richard (Ottawa East), Riley, Stick.

In attendance: Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs; Mr. S. D. Hemsley and Mr. P. Molson of the Department of External Affairs.

Items Nos. 85 to 93 inclusive and No. 95 Main Estimates of the Department of External Affairs were adopted, on explanation by Mr. Moran.

At 5.45 o'clock p.m., the Committee adjourned until 4.00 o'clock p.m., Wednesday, May 7.

E. W. INNES,

Clerk of the Committee.

EVIDENCE

HOUSE OF COMMONS

May 5, 1952.

The CHAIRMAN: Gentlemen, we have a quorum, and I now call the meeting to order. First of all I want to express my appreciation of the fact that our worthy member, Mr. Gordon Graydon, found it possible to replace me at the last meeting. You had, I understand, a successful meeting with the Hon. Mr. Pearson present. I notice from the record which I have just received that it was suggested we should call Mr. Endicott before our committee, but I do not feel that he should be called. Would the majority of the members of the committee be satisfied with his not being called here?

Agreed.

Now, concerning Dr. Solandt, I saw the minister about that matter and he asked me if the members would allow him a day or so to get in contact with Dr. Solandt, so that he might give us some lead about this matter, whether it be feasible or practical for him to appear before us.

Mr. COLDWELL: Mr. Chairman, I think it would be useful for Dr. Solandt to come and just make a statement before this committee, if he cares to do so.

Mr. Low: Yes, Mr. Chairman, and at a time which is suitable to him.

Mr. COLDWELL: Yes, at a time suitable to Dr. Solandt.

The CHAIRMAN: We have the power to call him if we want to, but I think we should prefer to see him come of his own volition. I have another request to make; we have had numerous sittings and while I do not want to hurry things through, we are now at the different estimates of the department and I feel that 3 or 4 more meetings should be sufficient for us to get through with our work. Of course, I realize the difficulty we are under in trying to get members present who are also members of other committees. I believe it would be in order now for Mr. Moran to proceed. I believe he was answering question 11 on the administration item which was asked by Mr. Fraser. Would that be satisfactory?

Agreed.

Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs, called:

The WITNESS: I think we had disposed of that item. Mr. Fraser had a question on the cost involved in the printing of speeches, which appears under the stationery and office supply item, and I think that was disposed of at the last meeting.

Mr. MACDOUGALL: Would it be in order to ask a question of Mr. Moran now, Mr. Chairman?

The CHAIRMAN: Yes.

By Mr. MacDougall:

Q: This is a new office, I believe, that is being filled in NATO by a permanent secretary from Canada. I wonder if Mr. Moran could give us any idea of what the annual cost and upkeep of that office will be, having regard to personnel and staff, let us say, for the year ahead?—A. I am sorry that I

have not the exact figures, although some estimate of the operating costs of that office could be worked out. As I think Mr. Pearson mentioned at an earlier meeting, the staff consists of Mr. Heeney, the Canadian permanent representative to the NATO council; 3 officers from the Department of External Affairs; 1 from the Department of Finance; 1 from the Department of Defence Production; and 1 from the Department of National Defence. There will be 4 stenographers from External Affairs plus such stenographic staff as the representatives from the Department of National Defence and the Department of Defence Production may find that they require. I think that staff would not be in excess of 1 stenographer each, or it may be that they will be able to use the pool of 4 stenographers already assigned by the Department of External Affairs. Then there will be 3 security guards and 1 messenger; so the operating expenses will be the salary and allowances of those people plus the rental cost of the office accommodation in Paris, which has not yet been determined. In fact, no lease has yet been signed for office accommodation. At one time it appeared that they would be in the Palais de Chaillot, but it developed that the French government were not able to make sufficient accommodation available to house all of the 14 delegations; therefore the arrangement at the moment is for the Canadian Delegation to have accommodation in the O.E.E.C. building with a base in the Palais de Chaillot; there will be an office there which they can use as an operating base when meetings of the council are being held in that building.

Q. Would you care to guess what the annual expenditure would be on the establishment of that office?—A. Well, it would be purely a rough estimate, but on that basis I would say it would be somewhere between \$120,000 and \$150,000 a year.

Mr. BENNETT: Is the Palais de Chaillot to be the NATO headquarters?

The WITNESS: Yes, sir.

Mr. RILEY: From where would the security guards be recruited?

The WITNESS: From here in Canada. Of the 3, one will be taken from the staff of two who are regularly on duty in the East Block. The other 2 will be recruited in Canada and trained by the R.C.M.P. and sent to Paris. It is 24 hour security that is necessary in the building and we hope by making special arrangements in the day time hours to be able to meet the security requirements with a staff of 3.

By Mr. Murray:

Q. I hope that the personnel is Canadian born, I mean the juniors and so forth?—A. There are no locally engaged personnel of any kind on this delegation which adds somewhat to the operating costs of the mission. We are unable for security reasons to engage any local employees, but only Canadian citizens.

Q. With respect to the policy followed throughout other External offices, I mean the Department of External Affairs offices throughout the world, I would like to ask if Canadians are selected for the office positions, that is stenographers, and so forth?—A. In our offices abroad no personnel other than Canadians may handle any classified material; but locally engaged staff are employed for such duties as chauffeur, gardener, doormen, if the building is one which requires a doorman, and for telephone operators; they are employed in some countries where the so-called hard languages are used, for translating items in the daily press.

Q. I think that would be very much in order; but I think that young men and young women too should be given the opportunity to learn these languages and to become familiar with conditions in these far away places so that Canadian career men and so forth could be developed in that way.

Mr. MACDOUGALL: I think that matter was discussed and it was clearly stated at a previous meeting that Canadians going to these various posts are given an opportunity to learn the various languages and that they are being supplemented in their pay if they desire so to do.

The CHAIRMAN: There was a discussion on that point, Mr. Murray.

By Mr. Murray:

Q. Was there a rule laid down or a definite decision made?—A. A decision that they should learn the languages?

Q. No, that an effort should be made to recruit as many young Canadians as possible for this foreign service?—A. Well, we now employ the number of Canadians we feel are required for the stenographic and clerical duties in our offices abroad. No matter how small the office, the minimum number of Canadian stenographers is two; that is the minimum, because sickness, holidays, and things of that nature, make it essential to have a second girl as only Canadians can deal with classified material. The Canadian girls in the offices abroad are also available to take classified dictation from the Trade and Commerce officers, whose policy it is to employ locally engaged stenographers because they have such a small amount of classified material in their work that they do not find the requirement for Canadian girls warrants the cost of transportation to and from posts, the living allowances, and such items which add to the operating expenses.

Q. I think the Americans are very definite about having their young people in those offices and encouraging them to study and so on, so that those young people can equip themselves for important service in the future.

By Mr. Coldwell:

Q. Mr. Moran, I think you said, if I understood you correctly, that the NATO organization might share office space with O.E.E.C.?—A. No. We have had all along a Canadian Delegation to O.E.E.C. which has been occupying accommodation in the O.E.E.C. building in Paris. The Canadian Delegation to NATO will now take over the duties of the O.E.E.C. delegation and will absorb the O.E.E.C. personnel, and will occupy the accommodation in that building.

Q. So this NATO group will not be in part made up of O.E.E.C., but rather the O.E.E.C. will be a part of the NATO group?—A. Yes, sir; but all the individuals will not necessarily be transferred to the NATO delegation. For example, Mr. Parkinson has been in charge of the O.E.E.C. delegation but a man of his seniority will not now be required in the NATO delegation with Mr. Heeney heading it; therefore Mr. Parkinson is being posted to other duties. Thus it will not be a matter of transferring to NATO all the people who have formerly been with the O.E.E.C. delegation, but the O.E.E.C. duties and responsibilities will be taken over by the NATO delegation.

Q. Is Mr. Parkinson an economist?—A. Yes, sir.

Mr. BENNETT: Where is he being posted?

The WITNESS: He is being posted as financial counsellor at Canada House.

By Mr. Fraser:

Q. You had a notice for girls required for overseas service as stenographers. How long are they posted in Canada before being transferred overseas?—

A. That period varies with circumstances. We try where possible to keep a girl in the department for a year, before any service abroad; but if we have an urgent requirement for a stenographer in, let us say, the Netherlands, and if we happen to have recruited a girl who has some working knowledge of Dutch, it is probable that we would send her there within a period of 3 months or so. Just sufficient time to acquaint her with procedures of the department.

Q. I wondered also about the pay. It starts, I believe, with \$1,700 or \$1,800; and my friend here thinks that it is too low, and I too thought it was pretty low for one going overseas because if these girls are good stenographers and secretaries they get a pretty good rate here in Canada.—A. I would agree, Mr. Chairman; and that is one of our continuing difficulties. But we have been, I think, quite fortunate in the standard of girls that we have been able to recruit in the Department of External Affairs. A number of them are university graduates who are joining us as stenographers. They are attracted in the main, I suppose, by service abroad.

Q. By travel!—A. And it is becoming more and more difficult to recruit bilingual stenographers. I mean stenographers who are proficient in French and English. That is one of our problems at the present time with respect to the NATO Delegation. The Delegation is located in Paris and will be in constant contact with officials of the Quai d'Orsy, and a great deal of its correspondence will be in French. We are having great difficulty in getting bilingual stenographers for that delegation.

On the question of salaries and allowances, we do not send girls abroad at Grade 1 and 2 stenographic rates. Our experience has been that it is impossible for a girl to carry on in a foreign country at that salary. Therefore they are given the equivalent of the salary and allowances of a Grade 3 stenographer when they go abroad. Obviously we cannot promote them to Grade 3, for that would give them an advantage over girls we find it necessary to retain in the department at home; therefore they are given a terminable allowance which represents the difference between Grade 2 and Grade 3 rates, but this allowance ceases on their re-posting to Ottawa, when they again revert to Grade 2 pay.

MR. RILEY: Is it the Grade 3 maximum, when they go overseas?

The WITNESS: Not always. I think the figure within the grade which is granted to them depends on the length of time they have been in Grade 2; some of them are nearing the maximum in Grade 2 and in such cases they are granted the maximum of Grade 3 while they are abroad.

By Mr. Stick:

Q. I understand that we are spending \$2 million on quarters abroad this year. I do not know if the figure is correct. I wonder if we could have a return showing what the Department of External Affairs expects to spend on quarters abroad this year and where that money is to be spent, and if it is the purpose of the Department of External Affairs to expend this money out of blocked currencies over there in those countries where we have blocked currencies on deposit? Could we have a return on that?—A. Yes, Mr. Chairman, I can give it now, or I can wait until we reach item 89 in the estimates, whichever the committee prefers.

Q. I am merely giving you notice of the question so that you may have your answer ready when we come to that item.

The CHAIRMAN: I think that would be the better way. Are there any more questions on "Administration", or have they all been answered?

By Mr. Coldwell:

Q. You have an economist with the NATO organization, a Mr. Plumptre, have you not?—A. Yes sir; he will be going to NATO at the end of June.

Q. He is a senior man?—A. Yes, sir.

Q. I wondered why you were changing Parkinson for Plumptre, when Parkinson has been dealing with these things in Paris. Is there any reason for that?—A. Parkinson has not been dealing with NATO matters, but rather with O.E.E.C. matters.

Q. There is some relationship?—A. Yes.

Q. I am not objecting to Mr. Plumptre, but I wondered if there was a reason?—A. Mr. Plumptre has been dealing with NATO work, and has been on the Canadian NATO Delegation at the last two NATO council meetings.

By Mr. Fraser:

Q. Under "Administration" it says: "repairs and upkeep of teletype equipment." Is that repairs or rental?—A. Repairs, Mr. Chairman.

Q. Then where does rental show? This is number 16 on this sheet here.—A. If you will turn to page 6 you will find the rental of teletypes under item 6.

Q. Oh, I have got it. This generally would be repairs. Do not the companies look after that? Is not that included in the rental?—A. These are repairs made to machines and equipment which are owned by the government.

Q. I see. Thank you.

The CHAIRMAN: Are there any more questions on the first item?

Mr. FLEMING: Do you mean the whole of vote 85?

The CHAIRMAN: Yes.

By Mr. Fleming:

Q. I asked some questions of Mr. Moran at a previous meeting concerning details, beginning with page 5 of the breakdown which is in our hands.—A. The transfers from temporary to permanent; are you referring to your question concerning the amount of expenditure increase which is attributable to transfers from temporaries to permanents, and the amount which is attributable to increases in salary?

Q. Yes. I think my question was on that item.—A. I do not know how successful I can be in making a lucid explanation because it is rather complicated. The total increase is \$121,011.

Q. The total of what?—A. The net increase. On page 5, opposite (permanent) there is shown an item of \$892,823.00 for 1951-52; while the expenditure for 1952 is shown as \$1,013,834.00—that is a total expenditure increase of \$121,011.00.

Of this amount, transfers from temporary to permanent payroll account for \$129,034.00. The revision of Civil Service salaries as of December 1951, accounts for a further increase of \$20,930.00; while the normal reclassification of people within the Department accounted for a further increase of \$10,013.00. These taken together make a total increase of \$163,247.00. But during that period, more permanent staff were transferred abroad than came back to Canada so that these changes between the vote for departmental administration and representation abroad must be taken together. The net amount resulting from this transfer of staff, totalling \$39,236.00, has to be taken away from the \$163,247.00 I have given you in order to get the net amount to be charged to departmental administration. This would leave the net amount of \$121,011.00. That, perhaps, is more confusing than clarifying.

Mr. STICK: Mr. Moran, if you transfer some permanents abroad you naturally would increase your pay and allowances because they get more when they go abroad than at home?

The WITNESS: The point is when they go abroad the expenditure on their salaries is then transferred to salaries in representation abroad. The people abroad are paid out of a different vote.

By Mr. Fleming:

Q. I think the next question I asked about, Mr. Chairman, was about No. 4. I had some questions about travelling and removal expenses.—A. The answer on that, Mr. Chairman—

The CHAIRMAN: Is it agreeable to have that printed into the record?
Agreed.

Breakdown of Expenditure of Travelling and Transportation Costs \$19,475.

(Items of \$100 and over)	
Y. Beaulne.	\$ 188
M. Bullock.	297
K. Burbridge.	147
L. G. Chance.	1,929
H. F. Clark.	162
M. Clark.	181
E. A. Cote.	238
G. Cox.	103
W. H. Cullen.	112
A. A. Day.	265
M. E. MacDonald.	156
L. McIntosh.	820
R. A. McKay.	141
L. S. McMorris.	379
E. H. Norman.	730
L. B. Pearson.	2,400
J. George.	152
E. W. T. Gill.	1,015
G. Glazebrooke.	207
B. Grant.	115
K. A. Greene.	164
E. Hall.	185
A. D. P. Heeney.	248
T. Scott.	304

(Items of \$100 and over)	
H. L. Staines.	\$ 433
G. Summers.	100
E. Piche.	989
A. F. W. Plumptre.	158
D. M. Johnson.	165
J. Leger.	328
D. V. Lepan.	105
J. Lesage.	1,353
M. Millard.	134
A. Monette.	1,838
H. O. Moran.	2,402
G. Morisset.	109
E. P. McCallum.	724
J. S. MacDonald.	266
E. Tierney.	479
D. Walmsley.	221
E. Wildman.	170
	<hr/>
	20,612

Final figure, including amounts of
less than \$100, will be approximately
\$22,000.

The CHAIRMAN: Will that meet your requirements, Mr. Stick?

Mr. STICK: Yes.

Mr. FLEMING: The courier service. There is an increase contemplated there on courier service between Ottawa, New York and Washington.

Mr. Low: Before you go into that, Mr. Chairman, has Mr. Moran any breakdown of home leave expenses?

Mr. FLEMING: That is the first of the two statements that have just been filed. The total is \$280,018, not \$290,673.

Mr. MACDOUGALL: Where are we at now, Mr. Chairman?

The CHAIRMAN: Total travelling and removal expenses.

Mr. FLEMING: Mr. Chairman, could Mr. Moran give us some brief explanation of this item on courier services, Ottawa, New York and Washington? It is being increased to \$25,000 from \$18,375.

The WITNESS: That covers the expenses of couriers carrying the diplomatic bags between Ottawa, New York and Washington. They make three journeys a week, travelling by train, and that figure represents actual expenditures. The increase is a result of increased cost of meals on trains and in the various types of expenditure which the courier has to make in his travels.

Mr. STICK: Travelling from here to New York would be in connection with the business of the United Nations?

The WITNESS: In the diplomatic bag is material for the United Nations Delegation in New York, the Consulate General in New York, and the material for the Canadian Embassy in Washington. The couriers also pick up material from those posts and bring it back to Ottawa.

Mr. FLEMING: Is there no direct service between Ottawa and Washington?

The WITNESS: I am not sure, but I thought that the most direct route by rail to Washington is by way of New York.

Mr. STICK: I suppose if you had anything to go direct, they could go direct. Do you send them by air at all?

The WITNESS: No. Anything urgent between here and Washington is sent by teletype.

By Mr. Low:

Q. This item does not include provision for any more couriers, does it?—A. No, sir.

Q. Just an increase?—A. The increase is actual expenditures in connection with their travel, meals, cost of berth on the train, and so forth.

Q. How often do those couriers travel?—A. Three times a week.

Mr. GRAYDON: Unlike the rural mail carriers, you do not call these by tender?

The WITNESS: Our couriers are former officers of the armed services. One is a captain who served with me in the army.

Mr. STICK: Does this position correspond to the King's messenger in the British service?

The WITNESS: Yes, sir.

Mr. FLEMING: I have a question on the next page. It is a somewhat similar question. Page 6, carriage of diplomatic mail. The increase there is from \$126,000 to \$152,000. Is that increase explained in the same way as the last item?

The WITNESS: This is the courier bag service to and from London by way of TCA, to and from Tokyo by Canadian Pacific Air Lines, and fanning out from London by way of United Kingdom Foreign Office courier service. The increase is accounted for almost entirely by increase in the volume of mail being carried.

By Mr. Low:

Q. London is the gathering place for all mail of the European missions?—A. Yes, sir. This figure represents the cost of carrying this mail in both directions. In other words, the charge for diplomatic mail coming to Ottawa from the embassies appears in this vote rather than in the vote for representation abroad because of the complications which would arise if we tried to assess each post with its portion of the charge on the bag of mail coming into the department from London.

Q. The increase here of something like \$26,000 can be accounted for largely by the increase in volume. Is that correct?—A. Yes, sir.

Mr. RICHARD: Do you change the locks on the bags frequently? They are not like the post office bags, are they, the same key fits every one of them!

Mr. STICK: The payment is by weight, so much per pound?

The WITNESS: Yes, the charge is made in that way by the air line.

Mr. FLEMING: Part of it goes to the TCA and to CPA.

The CHAIRMAN: Are there any more questions on item 85? Shall item 85 carry?

Carried.

Item 86, passport office.

Shall the item carry?

Mr. Low: There is an increase in that of something like \$28,000. Have you any breakdown of that, Mr. Moran?

The WITNESS: If you look at page 8 of the expenditure sheet you will see the vote broken down in the various primaries.

Mr. FRASER: Microfilming alone is up \$3,000.

By Mr. Riley:

Q. What is your passport revenue, Mr. Moran?—A. In 1950 the revenue was \$325,397.89. For the year 1951, it amounted to \$343,813.03.

Q. That more than offsets your total passport administration item?—A. Yes, sir.

Q. In other words, it is a revenue, and the passport division takes care of the whole administration there?—A. Yes, sir.

Mr. FLEMING: What is the estimated revenue for this year 1952?

The WITNESS: It is very difficult to estimate because it depends entirely to what extent the Canadian public intend travelling. One place where we have to make an estimate is in ordering passports, and my recollection is that the number of passports the department has ordered for next year is 70,000.

By Mr. Low:

Q. How does that compare with this year's?—A. It does not necessarily mean that there will be only the 70,000 available, but that order is to supplement the stock on hand. In 1950 there were 64,000 passports issued and in 1951, 67,500.

Q. You have not gone too far out on the limb, then, in ordering 70,000 for this year?—A. And then the other forms of business in the passport office are renewal of passports and certificates of identity.

Q. What progress have you made in microfilming all the old records?—A. The progress made has been satisfactory. It is something like a three-year program and there is an item of \$7,000 in here which represents salaries solely for staff which has been hired temporarily to work on the microfilming job, and when this has been completed we hope that there will be a considerable reduction in the rentals that we have had to pay up till now for storage space for the filing cabinets in which passport material is stored.

By Mr. Fraser:

Q. The material is kept now in fireproof vaults?—A. I think they are still stored in the basement of St. George's Church, in fireproof cabinets.

Q. I must say on this, that this passport office is certainly doing an excellent job now. If you send over an application, you get it back almost immediately.

Mr. Low: I too found that so.

Mr. MACDOUGALL: When this microfilming becomes more or less stabilized on the plan you have under way now, will that mean that these films are kept ad infinitum, they will never be destroyed?

The WITNESS: They are required for administration purposes for 13 years, which is three years beyond the normal 10-year life of the passport.

Mr. FRASER: Do the rates for passports, and renewals, in Canada compare favourably with the rates in other countries, \$5 for a passport, and \$2 for a renewal? I just wondered on account of your increased expenses whether it would be necessary pretty soon to put the charge up.

The WITNESS: There is a fairly general consular tariff. Without being an expert on it I would say the Canadian passport rates are comparable to those being charged by countries like the United Kingdom.

The CHAIRMAN: Shall the item carry?

Carried.

The next item is No. 87. We have already had some statements on this by Mr. Heeney and the minister. That does not stop discussion, but I hope there will be no repetition of what has already been given to the committee.

By Mr. Fleming:

Q. I wonder if Mr. Moran could make a comment on this. Here we have a breakdown of vote 87, representation abroad, and just taking the operating figures for the moment, there are 37 diplomatic missions, not including the consulates, which are listed on the third page. Thirty-seven of them, and just running over them quickly I find approximately 30 of them show increases over last year. Now, in some cases the increases are not large and in other cases they are quite substantial. Of course, this is both operating and capital, but it is a very large increase, from \$4,351,982 to \$6,026,768. Now, making allowance for what has happened in Paris, how much of this represents an increase in establishments and in extension of existing functions of our diplomatic missions abroad.—A. The increase in the cost at Paris, Mr. Chairman—

Q. We had an earlier explanation about Paris. We had the explanation that a large part of the capital increase was due to the purchase of a new chancery.—A. On the operational costs of some \$67,000, it is made up of salaries, \$21,000—

Q. Are you referring to Paris alone now, or taking the whole statement?—A. I am speaking of France. I thought France was the one you directed my attention to.

Q. No, I directed your attention to the whole statement.—A. The reasons for the increases vary by posts. The increases could perhaps be given in three broad general categories; one is increase in salaries and allowances, the allowance increase being influenced almost entirely by the increase in cost of living in the various countries. Secondly, by the provision of safes for holding classified material, and thirdly, miscellaneous items, such as the provision of new cars or station wagons, repairs that may have to be done to the residences. I have it by amounts if there is any particular figure you desire.

MR. STICK: Would the setting up of this new NATO organization come under this?

THE WITNESS: No, sir, it is not reflected in here.

MR. LOW: Supposing we take the over-all situation first, Mr. Moran, before proceeding with the individual missions. You said the second reason for the increase was the provision of safes to hold classified material. What has been the method of safekeeping of that material up to this time?

THE WITNESS: Two methods. One has been a steel filing cabinet equipped with not only the tit type lock but also an iron bar held by a steel clasp and secured by a padlock. The second has been a safe which we do not regard as being completely secure. We are now purchasing safes with combination locks for a number of our missions, and my recollection is that the total sum being spent on safes for missions abroad this year is \$63,000.

MR. LOW: Have you had any incidents at all involving missing documents or tampering with documents that are classified?

THE WITNESS: No serious incident.

MR. GRAYDON: What do you mean by no serious incident?

THE WITNESS: Well, we have had no theft of cyphers for example, which would be particularly serious.

MR. MURRAY: Are these safes which you have purchased bomb proof?

THE WITNESS: They are not advertised as such.

MR. MURRAY: Do you not think they should be?

The WITNESS: We purchase the best available safe on the market and I am not sure whether such a product as you mention is being manufactured.

Mr. Low: You must feel that security is involved or you would not propose to make a large expenditure of this kind.

The WITNESS: We regard security as being particularly important, Mr. Chairman. The amount of highly classified material which has to be handled and held in the missions abroad is increasing, and I would submit that the expenditure of \$63,000 for safes which we now propose placing in a number of our missions abroad is not a disproportionate amount to spend when you consider the security risks which are involved.

Mr. FLEMING: How many are you putting in, Mr. Moran?

The WITNESS: They cost \$2,300 each so it would be \$2,300 into \$63,000—roughly 30 safes.

Mr. FRASER: Those are fireproof also?

The WITNESS: Yes, sir.

Mr. Low: In the light of what has happened in some diplomatic headquarters according to reports in the Saturday Evening Post and other papers, I imagine this is a right good provision—something perhaps that should be done everywhere that you have classified material?

The WITNESS: I should make it clear, Mr. Chairman, that this does not mean in all thirty posts we are putting in safes for the first time. In a number of instances this means provision of a second safe because the amount of material plus cyphers which must be held there cannot now be accommodated in the one safe which they have.

Mr. FLEMING: I was going to ask how many cases, say within the last couple of years, have there been where the department thinks its mail or bags or files have either been opened or tampered with?

The WITNESS: On the question of mail there have been one or two instances where the diplomatic bag would appear to have been tampered with although on investigation it was disclosed that in one case it had been done by the crew of the aircraft carrying the bag. To them the bag had appeared insecure and they had attempted to put some additional reinforcing and seals on it. I cannot say offhand the number of instances within offices.

I might say that if there is any information that I can obtain and which can be made available to the committee I will get it.

Mr. MACDOUGALL: There is not a large number?

The WITNESS: No. Very stringent security precautions are taken in the missions abroad. Quite detailed instructions have gone to all staffs about locking windows and doors and burning confidential waste. The missions are required for example to have an officer remain behind in the evening while the char staff is cleaning the office—staying with them until the job is finished. Certainly here in the east block the security regulations we have to observe when leaving the office are a source of inconvenience and irritation to all of us—no papers to be left loose on the desk which may not be there when we return.

Mr. FLEMING: I think we are all glad to hear you say there have been no serious cases. I wondered if it might be of interest to see how many cases of the less serious type there had been or if there had been more in a particular diplomatic post.

The CHAIRMAN: That can be brought forward at another meeting.

Mr. Low: The third reason given by Mr. Moran for an increase was the replacement of station wagons, purchases of cars and so on—or repair to equipment already in their possession at the various missions.

What is the policy with respect to the replacement or the provision of new autos or station wagons? Are they Canadian cars or are they purchased in other countries?

The WITNESS: The present policy of the department is to supply the head of mission with a Buick sedan. There are one or two missions abroad where I think at the present time we still have Chryslers, but the current policy on replacement is to provide Buick sedans.

Mr. FLEMING: The credit restrictions are off today so apparently the government can buy on time.

The WITNESS: Replacement is made only when the department can be satisfied that the vehicle has reached a point in its life where it is more economical to replace it than to incur substantial repair bills.

Mr. RILEY: Are you bound by the same principle as other departments—that a car is not replaced until it has at least 100,000 miles registered on it?

The WITNESS: We have a target figure. 100,000 miles is in my mind but I am not certain that is the figure. Of course, you cannot cling to that too rigidly. You might have a case where an engine drops out of a car within 5,000 miles—as was the experience of one of our officers in Paris with his personal car. We would expect a car to last three or four years and acquire a mileage of 100,000 but if the head of mission makes representations to us that the repair bills are requiring heavy outlays, and this of course becomes apparent back here where we are paying the bills, then replacement is the more economical thing to do.

Mr. LOW: The reason I asked the question more than anything else is that I have noticed some missions in Canada do make a practice of purchasing Canadian cars while others will bring their own as far as they can from their own countries.

The WITNESS: We have no foreign automobiles, such sense of a Humber or a Fiat, as official cars at any of our missions abroad. The car for the head of mission, as I have said, under our current replacement program is a Buick sedan, and the station wagons which are used for pick-up and general duty are either a Fords or a Chevs.

The CHAIRMAN: Are there any more questions?

By Mr. Murray:

Q. I wonder, Mr. Chairman, if it is possible to send commissary supplies to these various outposts from Canada? I mean Canadian food products and so forth, not to save but rather to introduce Canadian products in those distant places?—A. All of our people in countries abroad, other than in places like Washington or New York or other United States posts where the supply problem is not an acute one, place orders with firms in Canada and regular shipments of foods are made from Canadian suppliers and go forward at regular intervals. That is a purely personal arrangement between the officer or the stenographer and the supplier in Canada.

The only place where the department participates in such an arrangement is in Moscow, and the other Iron Curtain countries—and in China until our posts were closed there.

Q. Do you not think the department could afford to put a little subsidy there to encourage them to use those products?

Mr. LOW: The cost would be tremendous.

By Mr. Murray:

Q. You would be building up markets indirectly. These diplomats would be entertaining very important people and might introduce them to British Columbia salmon, Gaspé salmon, Canadian cheese—the finest product of its kind

in the world—maple syrup—.—A. These are the types of products our people order. Your proposal would be, from our standpoint, quite acceptable. We have found difficulty in getting any subsidization for this sort of thing other than the amount which has been included in the basic allowance.

Q. They could have them at wholesale prices at any rate?—A. We have had no success in interesting producers to make that concession. I think there have been some cases where they give a 10 per cent diplomatic discount, but as far as wholesale prices are concerned we have had no success. None of our people have succeeded in persuading a producer to do that. I suppose the buyer's market which exists for such products is one reason.

The CHAIRMAN: Well, shall item 87 carry?

Carried.

Item 88—representation abroad and so forth.

Mr. FLEMING: Can we take items 88 and 89 together? They are on the same matter, one covers Canadian dollars and one is blocked funds.

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
	A—DEPARTMENT AND MISSIONS ABROAD—Concluded		\$	\$	\$	\$
88	Representation Abroad—Con- struction, acquisition or im- provement of buildings, works, land, new equipment and furnishings.....	164	312,930	228,940	83,990	
89	Representation Abroad — To authorize the construction, acquisition, improvement and furnishing of properties for Canadian Government offices and residences abroad, payment therefor to be made in foreign curren- cies that are not convertible into Canadian or United States dollars and that may be used only for governmental or other limited purposes and that have been acquired in respect of reparations or pur- suant to the settlement of claims arising out of military operations or war expendi- tures, or in exchange for other such currencies so acquired..	164	1,654,500	1,042,500	612,000	

Mr. FLEMING: This year's proposed capital outlay is \$1,967,000 which is an increase of \$700,000 over last year. Is it not the biggest year's outlay the department has had yet, Mr. Moran?

The WITNESS: It is, Mr. Chairman.

Mr. FLEMING: What is the next largest in the history of the department?

The CHAIRMAN: We are taking items 88 and 89 together?

Mr. STICK: Yes, take the two together.

The WITNESS: I think probably last year's expenditure would be the next highest.

Mr. FLEMING: I know you had planned a substantial outlay in Paris where you have been overcrowded, but I just wonder, Mr. Moran, if an increase to a record expenditure of nearly \$2 million this year is warranted. It is a thumping big increase?

The WITNESS: As Mr. Heeney pointed out at an earlier meeting, \$1,620,000 of this expenditure is coming out of blocked funds. It is a question of whether as a matter of policy it is better to leave these funds unexpended while their purchasing power is deteriorating every year, or to use them for capital investment in real estate and such things where, if conditions continue as they have in the past, you will own an asset which travels with inflation. The purchase of buildings in Paris, Italy, the Netherlands, Tokyo, where expenditures are planned under this vote, if authorized, will result in substantial savings in rentals; and will ensure the continuity of tenure for our people abroad. I suppose it is a matter for decision as to whether this is good or bad policy.

Mr. Low: Have you any idea, Mr. Moran, of the aggregate of blocked funds outstanding in those countries?

The WITNESS: Yes, Mr. Chairman, that is on the record of our third meeting—that of April 22nd.

The CHAIRMAN: Yes, and also of April 8th.

Mr. STICK: On page 166, Mr. Moran, it gives the expenditures on capital items: Italy \$275,250; Japan, \$129,500; the Netherlands \$224,500; and the United Kingdom, \$65,000. Would you give the details of those?

The CHAIRMAN: What page is that?

Mr. STICK: Page 166.

Mr. FLEMING: The same as page 9A of the sheets in our hands.

The WITNESS: This is back to vote No. 87.

By Mr. Stick:

Q. Can you tell us what they are for? You have the amounts but what do they constitute?—A. Which ones do you want?

Q. The ones I named—Italy \$275,250? What is that for?—A. The erection of a new residence and the erection of a chancery to which Mr. Heeney referred at the first meeting. \$250,000 for the residences and furnishings of approximately \$25,000.

Q. Would that come out of blocked currency or do we have any blocked currency in Italy?—A. We have Italian lira, yes, sir. \$265,000 will come out of the blocked currency and \$10,000 will come out of the Canadian dollar vote for items which are required but not procurable for lira.

Q. Now take Japan, \$129,500?—A. That is for the building of staff accommodation which was also described to the committee at an earlier meeting. We will take \$100,000 out of blocked funds and the remaining \$29,500 will be paid for out of the Canadian dollar vote—an automobile, residence furnishings of \$1,000, and what I would call basic equipment for the staff accommodation—\$25,000.

Q. The figure for the Netherlands covers a new building at The Hague?—A. Yes, out of blocked funds. The erection of a chancery for \$150,000 and residence furnishings of \$50,000 will be paid out of the blocked funds. Out of the Canadian dollar vote there will be an automobile and residence furnishings—

Q. Then the United Kingdom figure of \$65,000?—A. The United Kingdom is an item of some \$11,700 for teletype equipment that is being purchased for Canada House. The remainder of roughly \$50,000 is for the erection of a bomb proof shelter in the basement of Canada House.

Q. For keeping your records and so on?—A. Yes sir.

Q. Have we any blocked currency in Great Britain?—A. No, no.

The CHAIRMAN: There is no blocked currency in Great Britain. Do the items carry?

Carried.

Item 90—the provide for official hospitality.

No. of Vote	Service	Details on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
90	To provide for official hospitality.....	169	\$ 20,000	\$ 40,000	\$	\$ 20,000

Mr. Low: There was a decrease in that?

The WITNESS: The normal amount asked for under this vote, Mr. Chairman, is \$20,000 each year. That is the amount voted last year, but as a result of the unforeseen—at the time our estimates were prepared—visit of President Auriol of France, a supplementary estimate had to be put before the House for moneys to cover that visit—with the result that our total expenditures last year were \$40,000. This year we are again asking for the usual sum of \$20,000 which has in normal circumstances been adequate.

The CHAIRMAN: Shall the item carry?

Carried.

Item 91?

No. of Vote	Service	Details on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
91	To provide for relief of distressed Canadian citizens abroad and for the reimbursement of the United Kingdom for relief expenditures incurred by its Diplomatic and Consular Posts on Canadian account (part recoverable).....	169	\$ 15,000	\$ 15,000	\$	\$

By Mr. Fleming:

Q. Could we just have a brief statement about how the department made out in regard to the operations under this item last year—recoveries and that sort of thing?—A. Just last year?

Q. Yes?—A. In 1951-52 the amount advanced was \$19,919.83 and the refund so far credited to the vote has been \$6,456.32.

Mr. MACDOUGALL: How could that be?

The WITNESS: We have also had paid in during 1951-52 a sum of \$7,880.77 which is not payment on the 1951-52 advances but refunds to the government for amounts advanced in years prior to 1951-52.

Mr. FLEMING: Actually you took in more last year than you paid out?

The WITNESS: We took in \$6,400 plus \$7,800 for a total of \$14,000 odd.

Mr. FLEMING: Well, you took in almost as much as you paid out.

Mr. GRAYDON: May I ask Mr. Moran which is the largest sum paid out last year in connection with that release?

The WITNESS: I have not got that figure but I can get it for you, Mr. Graydon.

The CHAIRMAN: Will it be satisfactory if we have that for the next meeting? Agreed.

Shall item 91 carry?

Carried.

Item 92.

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
			\$	\$	\$	\$
92	Canadian Representation at International Conferences.....	169	225,000	225,000		

By Mr. Graydon:

Q. May I ask Mr. Moran how many international conferences Canadians officially attended last year?—A. Yes sir. In the past fiscal year, the Canadian government was represented at 146 conferences and meetings. Would you like to have a breakdown of them?

Q. That includes all the departments?—A. Yes, all the departments of government.

Mr. Low: Have you a classified breakdown?

The WITNESS: 4 were called by governments. 27 were called by non-governmental organizations; and 10 were called by inter-governmental organizations.

By Mr. Graydon:

Q. You mean specialized agencies?—A. 21 of that last figure of 105 were called by the United Nations organization, and its main organs; and 46 by United Nations specialized agencies; 94 of the 146 conferences were held in Europe; (for example 24 at Geneva; 18 at Paris; and 14 at London.) 40 were held in the western hemisphere; (for example 9 at New York; 7 at Washington; 2 at Montreal; 4 at Ottawa) and 8 were in South Asia and Australia.

Q. And there was 1 at Santiago.

By Mr. Low:

Q. Were not your costs last year perhaps higher than in what would be considered a normal year on account of the fact that you had a meeting of the United Nations General Assembly in Paris?—A. Yes sir. That made a considerable increase in our conferences expenditures. I can give you the exact increase as a result of it. The United Nations Assembly in the previous fiscal year, 1950-1951 cost a total expenditure of \$84,200, while last year, when it was held in Paris, it cost \$138,900.

Q. There was an increase of \$50,000?—A. Yes sir.

Q. I notice that for the same estimate last year you had an item of \$225,000, and I notice you have the same estimate again for this year. I take it that the Assembly will meet this year in New York. Is there an off-setting item somewhere for that?—A. Well, you are comparing this year's estimate with last year's main estimate?

Q. That is right.—A. It was necessary during the last parliamentary session to submit a supplementary estimate under this vote of \$40,000.

The CHAIRMAN: Does item 92 carry?

Carried.

By Mr. Low:

Q. Do you expect there will be any unusual number of international meetings this year?—A. No, sir. It is possible that the establishment of the NATO council, with permanent representatives in Paris, will reduce the expenditure under this vote. That saving will serve to off-set to some extent the operating costs of the NATO Delegation in Paris.

Mr. MACKENZIE: Would normally the general assembly be held in New York from now on?

The WITNESS: It is normal to hold it in New York at the headquarters of the organization; but there were strong representations made last year to hold the general assembly outside the United States to relieve the dollar expenditure of soft currency countries.

Mr. MACKENZIE: I take it the building there in New York will accommodate them?

The WITNESS: Oh yes.

The CHAIRMAN: Was there any request from Russia to hold the conference there?

The WITNESS: No sir.

The CHAIRMAN: Does the item carry?

Carried.

Item 93.

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
93	Canadian Section of Canada— United States Permanent Joint Board on Defence in- cluding \$7,500 for the Chair- man, notwithstanding any- thing contained in the Civil Service Act.....	170	\$ 10,000	\$ 10,000	\$	\$

By Mr. Fleming:

Q. That is what the Joint Board is paying now?—A. Yes sir.

Q. It is a small appropriation in comparison with the importance of the project. Is this the only place where anything is charged up under this heading?—A. Yes, sir.

Q. The big expenditure is swallowed up in the National Defence Department estimates?—A. The \$10,000 is made up of \$7,500 for General McNaughton's salary as chairman of the Canadian section of this board; and the remaining \$2,500 is for travelling and sundry expenses of the board in connection with their meetings which are held either in Canada or the United States, 4 times a year.

Mr. Low: I would like to say right here that General McNaughton is doing a mighty fine job and that we are fortunate in having a man of his calibre as chairman of that board.

By Mr. Fleming:

Q. How much of his time does General McNaughton give to his duties as Canadian chairman of the board?—A. The board meets 4 times a year in either the United States or Canada; there are preparations to be made for those meetings, and a certain amount of work is done by officers in the Department of External Affairs in our Defence-Liaison division. The head of the Defence-Liaison division attends all meetings of the board; and one of the junior officers in the division acts as the Canadian secretary. I would find it very difficult to apportion General McNaughton's time between the duties of this board and his duties and responsibilities with the International Joint Commission. But it would not be at all difficult to get an estimate from General McNaughton.

Q. What does General McNaughton receive by way of remuneration from the Joint Commission?—A. \$7,500.

Q. That is another \$7,500?—A. Yes sir.

Q. \$15,000 is what he is receiving from the Canadian government for his services on the 2 boards.

Q. Do the 2 boards combined occupy his full time, or what proportion of his time?—A. They occupy certainly a full working day and a bit more. I have had some working relationship with General McNaughton on I.J.C. projects, on matters in connection with the St. Lawrence Seaway, for example, and I can assure the committee that he is an extremely busy man.

By Mr. Low:

Q. And also in connection with questions having to do with boundary waters in western Canada alone.—A. There are a number of references before the I.J.C. at the present time which are demanding the attention of the commission.

Q. I think his presence on I.J.C. strengthens Canada's position immeasurably.

By Mr. Fleming:

Q. Does this have any affect on his pension? His pension is not affected by his receipt of salaries from these 2 boards?—A. While he is in receipt of the salary of \$15,000 from the Canadian government, his military pension to which he is entitled for his war service is held in abeyance.

Q. That is to say, is it only in abeyance, or is it not being paid for this period?—A. It is not being paid; and payment of the pension will not commence while he is in receipt of this salary from the government.

The CHAIRMAN: Shall item 93 carry?

Carried.

Item 94.

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
94	Grant to the United Nations Association in Canada.....	170	\$ 10,000	\$ 10,000	\$	\$

Mr. Low: Was any decision made with respect to hearing the delegation?

The CHAIRMAN: Not yet. I left that to the minister to think over, and I will get a report from him before the end of this week.

Mr. Low: Do you not think it would be advisable to hold up this item until that time?

The CHAIRMAN: Yes. There was a request made for that organization to appear before this committee, but the request has not yet been granted. We will try to have it arranged before the end of the week, possibly. Therefore we are standing item 94.

Now, item 95?

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
95	Grant to the International Committee of the Red Cross	170	\$ 25,000	\$ 25,000	\$	\$

By Mr. Fleming:

Q. How long does this go back? Is this a very old long-standing item?—A. The Canadian contributions go back to the fiscal 1946-1947 and immediately following the war.

Q. That is the first year when the Canadian government made a governmental contribution to the International Committee of the Red Cross?—A. I do not know if there were any pre-war contributions made, 1946-1947 was the first post-war contribution.

Q. What recalls it to my mind is this: We are sorry, I think, to see in this Korean fighting that the communists are unwilling to accept the Red Cross as a neutral. They are treating the Red Cross as though it were a subsidiary of the nations that are fighting defensively in Korea.

Mr. MURRAY: Are they really convinced that that is so?

Mr. FLEMING: No. It is just part of their propaganda. How many countries are contributing as Canada does to the International Committee of the Red Cross? I do not suppose any countries behind the iron curtain are contributing?

Mr. MACDOUGALL: That is for sure!

The CHAIRMAN: But this is not the first time that they have treated the Red Cross in that way.

Mr. Low: I think it would be interesting to have a statement, if it could be made available, showing what countries are making contributions to the International Committee of the Red Cross.

The CHAIRMAN: I think that information could be obtained. I suppose it is not within the realm of your department?

The WITNESS: We can ask the Red Cross for it. This question of the regular financing of the International Committee of the Red Cross was raised at the diplomatic conference in Geneva in 1949. A resolution was passed at that time, and the Canadian government as well as other countries who are signatories to the Geneva convention have been making contributions. We have available in our department no lists of the countries which are contributing, nor the amounts which they are giving; but there is no reason why we cannot ask the International Committee of the Red Cross for such a statement for submission to this committee.

Mr. STICK: Do you know if Russia contributes to it?

The WITNESS: No, it does not.

The CHAIRMAN: I believe we should pass the item and obtain the information asked for if we can.

Mr. FLEMING: I think the information would be of interest to us.

The CHAIRMAN: Does item 95 carry?

Carried.

Item 96.

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
96	To provide for the construction and execution in Canada of seven doors to be donated by Canada to the United Nations Permanent Headquarters in New York.....	170	\$	\$	\$	\$
			50,000	.....	50,000	

Mr. FRASER: Where are these doors located in the new building?

Mr. FLEMING: Are they entrance or exit doors?

Mr. STICK: They are both.

The WITNESS: These are the main doors of the building.

By Mr. Fraser:

Q. You mean the main entrance doors?—A. Yes sir.

Q. Are there 7 of them there?—A. Yes sir.

Q. They are double doors in the front?—A. Yes sir.

Q. Of what are they made, Canadian wood?—A. No. The suggestion has been made that they might be of a nickel alloy; there was an expression of view by a number of countries which are members of the United Nations that something of the culture of the member nations might appropriately be included or incorporated in this new headquarters building in New York; therefore several countries are contributing gifts of one sort or another which will be representative or symbolic of their country. And in the case of Canada the suggestion has been made to donate these nickel doors which will be constructed in Canada. A Canadian architect has done some work on a design for the doors; and if this amount of money be approved or voted, then the doors will be made in Canada and shipped to New York for installation in the new building.

Q. I would judge that \$50,000 for nickel alloy would not be enough for 7 doors of the size you have there?—A. I do not know how many doors there will be; it has not yet been officially decided by the United Nations Committee how many there will be. There is space at the front of the building for 7 doors and it is a matter of working out with the United Nations building committee how many of these special doors will be required. It could be that 2 or 3 doors only, being used as main entrance doors, would comprise the Canadian gift.

Q. One would think that all the doors on that building should be nearly the same?—A. That is a matter for the United Nations building committee to consider. I do not know what their decision will be.

Q. This will likely come before us again next year, or is it to be done this year?—A. It is to be done this year.

By Mr. Low:

Q. Was there any particular reason why the doors were chosen as our contribution?—A. No. Doors were one of the requirements; and it was felt that Canada could provide from one of its natural resources, let us say, a metal which would be suitable for the doors, and that a Canadian design could be worked in.

Q. You mean representative of Canada?—A. Yes sir.

Mr. FLEMING: Are any other countries making similar presentations for incorporation in the building?

The WITNESS: Yes sir, a number of countries are making contributions. In the case of the United States, I have forgotten whether it is a swimming pool or a fountain, which is their contribution. It is, I believe, both a swimming pool and a fountain.

By Mr. Riley:

Q. Is not nickel in short supply as a strategic material?—A. Yes sir, it is, but these doors will not be pure nickel.

Q. Could not some other kind of Canadian metal have been used for those doors? Has that been given any consideration?—A. Yes, it has. But as I said, these doors are not solid nickel; it is a nickel alloy, and it contains only 18 per cent of nickel, so it does not impose a drain on our resources for a few doors to be made of material that has only 18 per cent of nickel content in it.

Q. And would the balance, be silver?—A. I think the balance is bronze.

By Mr. Fleming:

Q. I would be interested to hear Mr. Moran go on to tell about some of the other contributions made by other countries. He has spoken of the swimming pool from the United States, and I would have thought that a swimming pool was not very necessary at all as an item of equipment in the United Nations buildings.—A. Norway, Sweden, and Denmark will provide and design the interior fittings of the 3 main council chambers; the United Kingdom, New Zealand, and Australia will supply the wood panelling for 3 of the conference and committee rooms; and the only other country about whose gift I have any information is the United States, to which I have already referred.

Q. Will there be anything on those doors to indicate, apart from an emblem such as the maple leaf, that they were presented by Canada? After the initial presentation has been made and forgotten, will there be anything on those doors to indicate to posterity that they were presented by Canada to the United Nations, and that they are made of Canadian material?—A. The design includes a maple leaf on the door as the Canadian emblem.

Q. But nothing else though?—A. I think there is no lettering of any kind on the doors.

Mr. GRAYDON: Are the Russians contributing the loudspeakers?

The CHAIRMAN: I believe the moment that we make that gift there should be something absolutely Canadian identifying it, some word of some kind, something neat, something brief.

Mr. STICK: The word "Canada" on it should be sufficient.

The CHAIRMAN: The word "Canada" at least.

The WITNESS: There is an architect's design that I could make myself more familiar with for the next meeting.

Mr. MACKENZIE: If the other nations are not putting markers on their donations to exemplify what country they are from, it would be rather strange if Canada did so.

The CHAIRMAN: It may be strange, but after all we are putting up the money.

Mr. RICHARD: I think we are lucky to have the maple leaf on them.

Mr. STICK: You could put the maple leaf there.

Mr. GRAYDON: I would be interested in having Mr. Moran provide for the committee at another sitting the exact donations made by every other of the 60 nations belonging to the United Nations Organization, because from the sketchy details he has been able to give, and from the information we have at hand, it would indicate that the contributions to the United Nations headquarters are pretty well confined to half a dozen nations. Now, I do not think that is quite good enough. We have had some experiences before with other nations which had a lot of talk but did not put up very much cash. I think we ought to have a full detailed statement of just what has been put up in connection with these various contributions to the United Nations Organization.

The CHAIRMAN: I would be strongly in favour of something absolutely Canadian so that the people would know where the doors come from.

Mr. FLEMING: Not only today but in the future.

The CHAIRMAN: After all, we are giving the doors, and, to me, there should be some lettering, some inscription, some plaque on it showing where the doors came from.

The WITNESS: I would not like to undertake to have that for the next meeting.

Mr. Low: Shall we let this stand?

The CHAIRMAN: We could pass it in the meantime and come back to that question.

Mr. FLEMING: I think if we are going to ask for that information I would hold the item, Mr. Chairman. I, for one, would want to know more about it.

Mr. STICK: Mr. Chairman, may we adjourn now? It is a quarter to six.

The CHAIRMAN: Are you in favour of adjourning now?

Agreed.

Before we adjourn, will you allow me to try to arrange a meeting on Wednesday of this week at four o'clock, if possible?

Agreed.

You were not present, Mr. Graydon, but I thanked you most sincerely for your chairmanship at the last meeting.

Canada, External Affairs
Committee on, 1952

HOUSE OF COMMONS

Sixth Session—Twenty-first Parliament, 1952

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Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. BRADETTE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

WEDNESDAY, MAY 7, 1952

Main Estimates of the Department of External Affairs
REPORT TO THE HOUSE

WITNESS:

Mr. H. O. Moran, Asst. Under-Secretary of State for External Affairs.

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ORDERS OF REFERENCE

WEDNESDAY, May 7, 1952.

Ordered,—That the name of Mr. Churchill be substituted for that of Mr. Green on the said Committee.

Ordered,—That the following Resolution be referred to the said Committee:—

Resolved, That it is expedient that the Houses of Parliament approve the ratification by Canada of the Convention on the Prevention and Punishment of the Crime of Genocide as signed by Canada on November 28, 1949, and that this House do approve the same.

Ordered,—That the following Resolution be referred to the said Committee:—

Resolved, That it is expedient that the Houses of Parliament do approve the Supplementary Extradition Convention between the United States of America and Canada, signed at Ottawa on October 26, 1951, amending the Supplementary Extradition Convention between the United States of America and Her Britannic Majesty, signed at Washington on December 13, 1900, and that this House do approve the same.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

THURSDAY, May 8, 1952.

The Standing Committee on External Affairs begs leave to present the following as a

SECOND REPORT

On Wednesday, April 2, 1952, the House passed the following order:

That Votes No. 85 to No. 115, inclusive, of the Main Estimates, 1952-53, be withdrawn from the Committee of Supply and referred to the said Committee, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

Your Committee has carefully considered the above mentioned Estimates and approves them.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

MINUTES OF PROCEEDINGS

WEDNESDAY, MAY 7, 1952.

The Standing Committee on External Affairs met at 4.00 o'clock p.m. this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Bennett, Bradette, Croll, Fraser, Gauthier (*Lac St. Jean*), Graydon, Lesage, Low, MacDougall, Macnaughton, McCusker, Picard, Riley, Stick.

In attendance: Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs; Mr. S. D. Hemsley and Mr. P. Molson of the Department of External Affairs.

Items Nos. 96 to 115 inclusive and No. 94—Main Estimates of the Department of External Affairs were adopted, on explanation by Mr. Moran.

On motion of Mr. Croll.

Resolved,—That Items Nos. 85 to 115 inclusive, of the Main Estimates of the Department of External Affairs be reported back to the House with the approval of this Committee.

The witness was thanked by the Chairman and retired.

At 5.45 o'clock p.m. the Committee adjourned until 8.30 o'clock p.m., Thursday, May 8.

E. W. INNES,
Clerk of the Committee.

EVIDENCE

MAY 7, 1952.

4.00 p.m.

The CHAIRMAN: Now, gentlemen, we have a quorum. I must say that I am very grateful to you for being here because there are other committees sitting and it is quite a problem. I would ask the members of our agenda committee to meet in my office tomorrow morning at 10.30.

We had reached item 96, the last day we sat. We have allowed item 94 to stand over for the time being. Before we proceed, I believe there was a question asked by Mr. Fleming. I was in hopes that Mr. Fleming would be here this afternoon. I believe it would be in order now to ask Mr. Moran to answer this question so that it would be on the record.

Mr. MACDOUGALL: Is that the one about the Red Cross contributions?

The CHAIRMAN: No.

Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs, called:

The WITNESS: No, Mr. Chairman, the question on contributions to the international committee of the Red Cross is the one I said I would probably not be in a position to answer today because the information has to come from Geneva. At an earlier meeting Mr. Fleming asked if a statement could be made to the committee concerning the work of UNICEF and some of its accomplishments. That statement I can make at this time, if it is the wish of the committee.

Agreed.

The United Nations International Children's Emergency Fund, following instructions of the General Assembly, has shifted its emphasis from post-war emergency feeding to long-range programs in underdeveloped countries designed to assist governments in developing their own child health and welfare services. These programs fall under the following main headings:

- (1) Maternal and child welfare, which includes
 - (a) supplies and equipment to set up maternal and child welfare centres, particularly in rural areas;
 - (b) training programs to provide local personnel to operate the centres;
 - (c) mass health campaigns against diseases which particularly affect children, e.g., tuberculosis, yaws, malaria and other insect-borne diseases.
- (2) Nutrition programs
 - (a) assistance in establishing child feeding programs as demonstration projects;
 - (b) assistance in milk processing to insure larger supplies of safe indigenous milk.

Emergency assistance continues as required. Recent examples are emergency food supplies following the Italian floods, and the Philippine typhoons, during the droughts in Madras and Northern Brazil, and assistance to the Palestine refugee program.

All health programs are developed with the co-operation and technical approval of the World Health Organization. The Food and Agriculture Organization assists similarly in nutrition and milk processing, and the U.N. Department of Social Affairs is consulted in welfare matters.

All programs continue to require considerable effort on the part of the receiving governments. Except in emergencies, help is given only to long range government plans in which the recipient government contributes at least as much as UNICEF, and in many cases, considerably more. There must also be some assurance of the intention of the recipient governments to continue the programs when UNICEF aid ends.

One of the most useful aspects of UNICEF work is that it is a supply organization and can accompany its technical advice with sufficient supplies to initiate programs and place them on a sound operating basis. In view of the efforts which have to be made by each government requesting assistance and the time required to work out satisfactory programs, there is a practical limit to the rate at which worth-while projects can be undertaken.

The present target budget is \$20 million for the year ending June 30, 1953. Allocations for the year ending June 30, 1952, have amounted to \$18.8 million. At the April meeting of the Executive Board, allocations of \$8,600,000 (included in the \$18.8 million above) were voted for 55 programs in 39 countries and territories as well as for Palestine refugee children. In the health programs, the benefits will reach:

	People
BCG anti-tuberculosis vaccination campaigns.....	16,400,000
Yaws, syphilis and bejel campaigns.....	3,035,000
Anti-malaria and other insect-control campaigns.....	7,245,000
Whooping cough, diphtheria and other immunizations ..	200,000

Nearly one million children will benefit from special feeding programs.

Canada has been a member of the 26-nation Executive Board since the beginning of the Fund and has held the chairmanship for 1951 and 1952. The Government has made the following contributions:

(in U.S. dollar equivalents)

1947-48	\$5,300,000.
1949	977,000.
1950	546,000.
1951	470,000.
Total	<u>\$7,293,000.</u>

As Mr. Heeney mentioned at an earlier meeting contributions from Canada (in U.S. dollar equivalents) have amounted to \$1,486,000. Canada is the third largest contributor to the fund, ranking after the United States and Australia. A very large number of receiving countries have also made contributions to the fund. The fund at the present time has no unallocated resources.

By Mr. Stick:

Q. Might I ask a question there for information, Mr. Chairman? You mentioned a figure of those suffering from malaria of 7,245,000 people. How is that figure arrived at, do you know?—A. That is the figure that the organization has estimated represents the number of children who would benefit from the programs and projects which it proposes undertaking.

Q. I don't want to pour cold water on that, but 7 million with malaria; I think there are more than 7 million children who are suffering from malaria, particularly if this is a world wide figure. That is my opinion. Without any records to support it I think it is a very small figure.—A. The only observation I can make in reply to that—

Q. I was wondering how they arrived at that figure at the United Nations. I think it is doubtful.—A. The only observation I could make on that is that the malarial countries are in the main the heavily populated ones of the world, and this figure which UNICEF has produced is based on information which is available to it.

Q. India alone has a population of over 300 million; there would be more than 7,245,000 children suffering from malaria there alone. It seems to me that is a very small figure. That is something that I doubt. I think that figure should be a great deal higher.—A. Oh, I am sorry, I thought you were commenting on the magnitude of the figure. This figure does not represent the estimate of the number of children suffering from malaria. This represents the number of children suffering from malaria who will benefit from the UNICEF program.

By Mr. Fraser:

Q. I would like to ask you a question on that: what period of time does this cover?—A. This is for one year, 12 month period.

Q. That would be for the year 1952?—A. For 1952 to June 1953.

Q. That is their fiscal year?—A. That is the UNICEF fiscal year.

Mr. MACDOUGALL: May I ask what decision the steering committee arrived at with respect to calling or not calling Dr. Endicott?

The CHAIRMAN: That is one of the main reasons in calling a steering committee meeting tomorrow morning in my own office. There are two or three persons whom we may or may not want to invite to attend and we are taking that up. Before we go on with item 96, page 96 of the estimates, there is a question which has been put to me in writing by Mr. Macnaughton about ICAO in Montreal.

The WITNESS: That could be dealt with now, or there is an item on it in the estimates which we will be reaching later on.

Mr. MACNAUGHTON: May I have the opportunity of putting my question then? What item would that be?

The CHAIRMAN: Item 101.

The WITNESS: Excuse me, that is not the item; it is item 109.

Mr. STICK: What is that item, 101?

The WITNESS: 101 is the Canadian contribution to ICAO. 109 is rental for office accommodation of the organization in Montreal.

Mr. GRAYDON: I thought there was a statement to be brought down in connection with these nickel doors.

The CHAIRMAN: We are not on that now.

The WITNESS: I could deal with that now if you like.

The CHAIRMAN: We are on item 96 now.

Mr. STICK: What about that item 94, have you stood that?

The CHAIRMAN: Yes, that stands until you decide whether or not we have that organization before us. Do you wish to say something Mr. Moran about the doors?

The WITNESS: Mr. Chairman, at the last meeting of the committee I stated that a Canadian architect had done some work in connection with the design for these doors and I would attempt before the next meeting to familiarize myself with it in order to answer the members' questions. The design I find has been no more than a tentative suggestion, some alternatives, and there has been no final design either approved or accepted; so I am not in a position to speak on the design for these doors as no final decision has been taken.

On the second point, which was the contributions made by other member countries, I gave some examples last week which I had in mind. In one case

I was in error and I would like to correct that. I told the committee that the United States government was making the contribution of a swimming pool and fountain; that gift is from the American Association for the United Nations, it is not a government gift; and as I understand it the intention is to make these facilities available to the children living in the general area. Some of the property on which the building now stands I believe was used by these children for play purposes and that is what influenced the decision to have the gift take the form of a swimming pool.

By Mr. Stick:

Q. Do you know what the United States government is giving?—A. The United States government contribution is taking almost exclusively the form of money rather than any fittings or furnishings. We could ask the United Nations building committee for a detailed statement of the gifts of other countries. It would not be easy to get at this time because I would think that many of the other countries are in precisely the same position as Canada where a final decision on the exact form of the gift has not been made. I can add to the list which I gave last week of those countries whose contribution has been definitely decided. I might give the entire information which we have and which will include some which I gave on Monday. The United Kingdom is contributing the interior decorating and panelling of a number of conference rooms; France, a mural painting by a renowned artist; Norway, the panelling of the security council rooms; Denmark, the panelling of the trusteeship council room; Sweden, the design of the ECOSOC room; Belgium, a tapestry; New Zealand, the panelling in the General Assembly hall; Australia, panelling—Australia and New Zealand are co-operating in this panelling.

Q. And the States are donating funds?—A. Yes. South Africa is making a contribution of furniture; and Greece, a statue. Those are the countries which have made final decisions on the form of their contributions, and the only additional information I can give you is that numerous other gifts have been indicated to the United Nations organization and there has also been some suggestion that there may be gifts forthcoming from non-governmental organizations in some of the member countries.

Mr. GRAYDON: Iron curtain countries are hesitant about coming forward?

The WITNESS: I have no information on their intention.

Mr. STICK: Theirs is mostly talk.

The CHAIRMAN: Shall the item carry? Is there any information on the metal doors?

Mr. RILEY: On the doors themselves, if Canadian silver be used instead of nickel? Will the cost be any higher?

The WITNESS: I could not answer that, Mr. Chairman, as I have no information on the relative values of the two metals. As I made clear I think at the last meeting these doors are not made of nickel, they are made of a nickel alloy, the nickel content being only about 18 per cent.

Mr. STICK: Did you not say there was going to be some silver?

The WITNESS: Bronze.

The CHAIRMAN: Shall the item carry, subject to further information about the doors?

Carried.

Item 97, United Nations Organization? Shall the item carry?

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
			\$	\$	\$	\$
97	United Nations Organization.....		1,463,200	1,492,350	.....	29,150

Carried.

Mr. BENNETT: Mr. Chairman, I thought our contribution was up last year, I notice it seems to be down in this item.

Mr. LESAGE: Well, sir, the total cost of the United Nations has been reduced.

The WITNESS: The budget of the United Nations for 1952 has been set at \$41,696,980, as compared with a 1951 budget of \$42,570,000.

Mr. GRAYDON: May I ask the parliamentary assistant if he knows where and on what date the next general assembly of the United Nations Organization is going to be held?

Mr. LESAGE: Nothing has been decided yet, but presumably it will be New York, but it is difficult to say anything definite because it is still under discussion.

Mr. GRAYDON: Will the new buildings be complete by then?

Mr. LESAGE: I understand it will, except maybe the General Assembly hall. That might not be ready. Am I right on that, Mr. Moran?

The WITNESS: Yes, it is the intention to hold the next general assembly in the new building.

Mr. GRAYDON: So the new building will be available at that time?

The WITNESS: That is the present target.

Mr. BENNETT: Are any nations in default on their contributions to the United Nations?

The WITNESS: Yes, sir, the countries in default on their contributions to the UN—and, Mr. Chairman, this will serve to clear up one answer to a question in the record, where I undertook to bring up to date the information that was given at an earlier meeting when I gave the arrears as of September of last year. These are the figures as of March 31, 1952:

Argentina, \$134,751.98; Bolivia, \$3—that is a bank charge which has remained unpaid; China, \$1,703,555.66.

Mr. RILEY: That is the nationalist government?

The WITNESS: Yes, sir. And Guatemala, \$16,721.00.

The CHAIRMAN: Shall the item carry?

Carried.

Item 98, Food and Agriculture Organization. Shall the item carry?

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
			\$	\$	\$	\$
98	Food and Agriculture Organization of the United Nations.....		246,800	111,000	135,800	

Mr. GRAYDON: By the way, has any consideration been given in the Food and Agriculture Organization to the question of foot and mouth disease, do you know?

The WITNESS: I do not know that they have dealt specifically with that problem. I would think that it is one of the subjects that would come within the general terms of reference of the organization, which include the improvement of agricultural standards and farm productivity, but I have no information on that specific subject.

Mr. Low: What is the explanation of the increase of \$135,000 in vote 98, Food and Agriculture Organization?

The WITNESS: You will remember that 50 per cent of last year's Canadian contribution had been included in a supplementary estimate for the previous year, and paid in that year to facilitate the move of the headquarters to Rome. Thus the amount in last year's main estimates was only 50 per cent of the normal Canadian contribution.

The CHAIRMAN: Shall the item carry?

Carried.

Item No. 99, International Labour Organization.

Shall the item carry?

Carried.

Item No. 100, United Nations Educational, Scientific and Cultural Organization. Shall the item carry?

Carried.

Item 101, International Civil Aviation Organization. Shall the item carry?

Mr. MACNAUGHTON: Could we join that with item No. 109, or do you want to keep them separate?

The CHAIRMAN: I think we had better separate them.

Shall the item carry?

Carried.

Item 102, World Health Organization. Shall the item carry?

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
			\$	\$	\$	\$
102	World Health Organization.....		270,800	234,800	36,000	

Mr. Low: There is an increase of \$36,000 in this vote, Mr. Chairman. Is the program expanding and can we anticipate further increases in the future in this vote?

Mr. MACNAUGHTON: The organization is located, is it not, at Geneva?

The WITNESS: Yes, sir.

Mr. MACNAUGHTON: I have had the advantage of going through it and knowing some of the people in it. They are doing quite good work.

The WITNESS: The 1952 budget of the World Health Organization is \$8,600,000 as compared with the 1951 budget of \$7,089,025, so there is an increase in the budget.

By Mr. Low:

Q. I presume there is a formula apportioning each nation's share?—A. Yes, sir. This organization, unlike the United Nations Organization itself and most of its specialized agencies, does not calculate the member countries' contributions on a percentage basis. They have set up a contributing budget which provides for 12,090 units, of which Canada is assessed 384 units. It is, I suppose, another form of percentage contribution.

Q. The work, then, is expanding, according to this vote?—A. There is an expansion of the work of the organization which would, to some extent, contribute to the increase, and in addition there is the normal increase in operational costs of any organization today, including higher wages, cost of equipment and things of that nature.

Q. It is one part of the international work that we hear very little about. I have not seen a great deal of prominence given to the details of the work outside of perhaps the immediate United Nations circles. We hear a lot about the Food and Agriculture Organization and UNICEF and others, but this one does not get very much publicity. I wonder why that is?

Mr. LESAGE: We have had Canadian delegations to the World Health Organization regularly. This year Dr. McMillan, one of the members of the House, is in Geneva at the present moment for the annual meeting of WHO, which is being held there right now.

Mr. Low: Yes, I recall that Dr. McCusker headed a delegation a year ago.

Mr. LESAGE: And Dr. Gauthier was one of the delegates.

Mr. Low: Both gave excellent reports, but apart from that very little information is given out to the general public.

Mr. MACNAUGHTON: I hesitate to speak, but I do know one or two of the members there and I have visited that organization through these friends, and so I know that, generally speaking, there are scientists trying to standardize pharmaceutical formulas throughout the world. That is one of their little branches. They render information and assistance to stamp out plagues in less developed countries. They are doing all sorts of quiet, efficient work and the increase in costs is probably due to the fact that they are much better organized today than five years ago.

Mr. LESAGE: And they are providing experts for improving the health organization in underdeveloped countries in connection with the technical assistance program.

By Mr. Low:

Q. I was wondering, Mr. Chairman, if any of the department officials here today could give us an idea just what sort of reception they are getting. Are they running into very much opposition or resistance, shall I say, in some of these countries?—A. No, Mr. Chairman, quite the reverse. This is not an organization with which the Department of External Affairs is intimately concerned in its technical operations; the Canadian contribution appears in our estimates because it is an UN Specialized Agency. I can say that the work of the World Health Organization is quite enthusiastically received in all of the countries of the world and in addition to the extensive and extremely useful research work which it is doing it has granted a number of fellowships. In 1951 there was something in the neighbourhood of 650 fellowships from more than 73 countries granted under the auspices of the World Health Organization. This, of course, is one of the specialized agencies of the United Nations where fewer political impediments are encountered than in some of the other agencies.

Q. The reason I asked was that I heard some lady commentator on the radio not long ago discussing some of the problems they face in countries like India, where this organization of the United Nations Educational, Scientific and Cultural Organization were trying to carry off certain projects in an effort to make the people understand what to do in the case of an outbreak of plague, and I gathered from this lady's commentary that they ran into quite a lot of resistance in some places. Knowing full well the difficulty of communicating their ideas in countries where communications are very, very limited, and undeveloped, I just wondered how far they were getting with their work and if it were really worth while to spend as much money as they are spending.—

A. As a layman, and not a professional medical man, I would have thought there was little question about that, Mr. Chairman. This organization has brought into existence a set of international sanitary regulations from which all countries should benefit. The programs I referred to earlier which will be carried out by UNICEF, malarial control, anti-tuberculosis programs, have all been the work of WHO. While UNICEF is the executive or administrative body, WHO is the organization which does the professional work involved in these programs.

Mr. GRAYDON: Is this the one that Dr. Brock Chisholm runs?

The WITNESS: He is the secretary general.

Mr. Low: Is there very close co-operation between these two particularly, among the three I should say, UNICEF, FAO and WHO?

The WITNESS: There is extremely close co-operation between FAO, WHO and UNICEF.

Mr. STICK: This resistance Mr. Low has been speaking about in India comes, I think, from ignorance, and the only way to offset the resistance to health organizations like that would be by education. I mean to say, if a plague breaks out, or some other contagious disease breaks out in some part of India, quarantine regulations are brought into force, and naturally there is bound to be a certain amount of resistance amongst the people over there who do not understand the quarantine regulations. From my experience out there, the medical men go in, and you have to educate the people that you are doing this for their benefit, otherwise, they will not understand. I cannot understand the reference of the lady to India, because we have had an Indian medical service there hundreds of years and they have been working on this problem for a long, long time. I know something about it. The resistance would come from a lack of education, I would say.

Mr. Low: That is right.

Mr. STICK: This organization working with the other is the answer to your problem.

By Mr. Riley:

Q. Who appointed Dr. Brock Chisholm?—A. It is a United Nations appointment.

Q. Was he nominated by Canada?—A. As I recall, Canada was asked to submit the name of a Canadian who would be suitable for appointment as secretary general and his name was put forward for consideration, but the appointment was in fact made by the United Nations.

Q. I suppose there was a lot agreed upon behind the scenes first, as in the case of General Ridgway?—A. Well, that has not been the history of appointments in United Nations specialized agencies, but as this appointment goes back some years I have not in my memory the exact details of it.

Mr. MACNAUGHTON: A good man was chosen in any event.

Mr. RILEY: Is he still trying to disillusion the minds of the children of the world regarding the Santa Claus myth?

By Mr. Fraser:

Q. Are we not giving more than our share here?—A. You have made a mathematical calculation, Mr. Fraser?

Q. No, but you said that it was divided into 1,200 units?—A. No, not 1,200; 12,000.

Q. Oh, that is different, 12,000.—A. In past years the Canadian percentage of the budget has been 3·19 per cent, which is something less than the Canadian assessment for the United Nations Organization, which is 3·3 per cent.

The CHAIRMAN: Shall item 102 carry?

Carried.

Mr. BENNETT: Is Mrs. Sinclair still head of UNICEF?

The WITNESS: Yes, sir.

Item 103, Commonwealth Economic Committee. Shall the item carry?

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
103	Commonwealth Economic Committee.....		\$ 16,830	\$ 17,070	\$	\$ 240

By Mr. Low:

Q. Is this amount, Mr. Chairman, merely the expenses of our delegates to meetings of the committee?—A. No, sir, none of these amounts represent expenses incurred on behalf of Canadian delegations.

Q. They are grants?

Mr. LESAGE: It is our share of the general cost of the organization.

The WITNESS: The United Kingdom contributes 35 per cent, Australia 14 per cent, and the Canadian contribution represents something like 16 per cent of the operating budget.

The CHAIRMAN: Shall the item carry?

Carried.

Item 104, Commonwealth Shipping Committee.

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
104	Commonwealth Shipping Committee.....		\$ 510	\$ 520	\$	\$ 10

By Mr. Riley:

Q. What is the purpose of this shipping committee?—A. It is concerned purely with Commonwealth problems and carries out studies that are referred to it by the member countries. This is a committee which the year before last prepared a study on insurance rates on Hudson Bay traffic, and some of its recent investigations or inquiries which have been of interest to our country include Canadian marine insurance rates, rates of freight on Canadian flour, rates of freight on Canadian apples exported to the United Kingdom, questions related to shipment of grain, and, as I say, the inquiry that was completed, I think, the year before last on Hudson Bay insurance rates.

Q. Are we represented on this committee?—A. We are represented by the High Commissioner in London.

Mr. GRAYDON: I note there have been some inquiries made with respect to the freight on Canadian apples going from here to the United Kingdom. I hope that inquiry is continuing because I think that will be a very useful thing. I do not know that very many are going over now.

The CHAIRMAN: Shall item 104 carry?

Carried.

Item 105, Inter-American Committee on Social Security.

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
			\$	\$	\$	\$
105	Inter-American Committee on Social Security.....		4,600	4,800	.....	200

By Mr. Stick:

Q. What is its purpose; I am not familiar with it. We are not a member of the Pan-American Union. Could you give us an explanation of what this is and what its work is?—A. We are not, Mr. Chairman, a member of the Pan-American Union or, as it is now known, the Organization of American States, and therefore we do not enjoy full membership in the Inter-American Conference on Social Security. But in, I think it was 1942 or 1943, the Canadian government referred to the desirability of Canada participating in the programs of social security which were being promoted in the Americas, and since that time we have had representatives go to the meetings. The most recent was held in Mexico City early this year or the end of last year. We have been a member of this conference since its inception.

Q. Have we got any responsibilities through being a member of this conference, or are we there for liaison purposes only?—A. We have no responsibility other than the broad one of a very direct interest in the improvement of the social conditions in that area which is part of this hemisphere. Benefits will accrue to Canada in the way of trade and such other things as the social standards of these countries are improved and their capacity to produce and to use and absorb our products increases.

Q. We are a full-fledged member of this committee?—A. We are a member of the conference.

Q. If we are a member we have to take responsibility for decisions made by that committee.

Mr. LESAGE: It is a consultative committee, Mr. Stick, more than anything else.

The WITNESS: It is perhaps correctly described as an executive committee. There is a distinction between the Inter-American Committee of Social Security and the Inter-American Conference. We do not participate as full-fledged members of the Committee, because of its association with the Organization of American States of which Canada is not a member.

By Mr. Stick:

Q. In other words that is the body which makes decisions. Would that be right?—A. The conference is the main body and this is more—

Q. We are only a member of the executive or advisory body?—A. Yes sir.

The CHAIRMAN: Shall item 105 carry?

Carried.

Item 106, the Canadian government's contribution to the administration of the general agreement on tariffs and trade?

Shall the item carry?

Carried.

Item 107.

No. of Vote	Service	Details on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
107	Contribution to the North Atlantic Treaty Organization to meet the Canadian Government's share of the cost of civil administration.....		\$ 178,000	\$ 320,000	\$	\$ 142,000

By Mr. Low:

Q. Before item 107 carries how is the Canadian assessment arrived at—the \$178,000 which I see is allotted to the North Atlantic Treaty Organization.—

A. It is our North Atlantic Treaty Organization contribution.

Q. Simple administration?—A. It is a contribution to the North Atlantic council budget which is divided into percentages paid by the fourteen member countries. In the case of the United States, the United Kingdom, and France, their contribution is 22·5 per cent; Canada and Italy, 8 per cent; Belgium and the Netherlands, 5 per cent; Denmark, Norway and Portugal 2 per cent; Luxembourg and Iceland ·25 per cent.

There will be budgetary adjustments as a result of the recent admission of Greece and Turkey as members of this organization.

Mr. FRASER: May I ask a question? Are the expenses of our delegates taken out of this amount here?

The WITNESS: No, sir. In none of these contributions to organizations are the expenses of Canadian delegations included. That money is in the conferences vote dealt with the other day.

Mr. Low: Now that the administration is set up under a secretary general I suppose there won't be so many committee meetings in the future?

The WITNESS: There will unquestionably be fewer and they will probably all be in Paris at the headquarters—rather than as in the past rotating among member countries?

The CHAIRMAN: Shall the item carry?

Carried.

Item 108.

No. of Vote	Service	Details on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
108	United Nations Expanded Program for Technical Assistance to Under-Developed Countries.....		\$ 850,000	\$	\$ 850,000	\$
	The Canadian Government's Contribution to the Inter-Allied Reparations Agency—Not required for 1952-53.....		.....	7,100	.....	7,100

Mr. GRAYDON: What is meant by United Nations expanded program for technical assistance to under-developed countries. That seems like an awful long name—and I hope it is doing a good job. What do you mean by “expanded”?

The WITNESS: I am not sure that is Canadian phraseology, Mr. Chairman.

Mr. LESAGE: I know something about this because I presided over the conference in Paris. The word “expanded” came when the program was expanded to more and more under-developed countries so that we now cover practically the whole world.

Mr. LOW: It has expanded in area?

Mr. LESAGE: Yes, and the amounts were increased.

Mr. LOW: Can you give us information on the amount of money that may be available this year on the program?

Mr. LESAGE: Yes, in the first eighteen months of operation the total contributions were a little over \$20 million from 56 states or nations. I am speaking from memory now but that is for the present twelve months. The negotiating committee which tries to collect amounts for the technical assistance program has collected up to date a little under \$19 million.

Mr. LOW: On what are they placing their emphasis? On what phase of their work are they placing emphasis under this expanded program?

The WITNESS: That depends, Mr. Chairman, on the country. One country's requirements will vary from that of another; and this program is to assist under-developed countries in fields in which they need experience and training. In one case it would be agriculture, in another it would be industrial technology. In the case of Canada there have been 54 United Nations fellows or scholars come here under this scheme and they have been placed in training in fields selected by their government—not by us.

Mr. LOW: The work, I understand, has been greatly hindered by the lack of communications in countries that would like help. The reason I ask the question about emphasis is to know whether any additional emphasis this year is being placed on the improvement of communications?

Mr. LESAGE: That has been discussed and more emphasis is being given to technical assistance in the field of communications in those countries.

If you read reports of the technical assistance committee or bureau you will find they are giving more importance to technical assistance in the field of communications.

By Mr. Graydon:

Q. As I understand it, in this technical assistance program they are attempting to get people in India and other southeast Asian countries into a position where they can really help themselves. That is what it amounts to.

We had a southern Indian girl come to our place this winter and she was here under the Colombo plan as a dietitian. She was a graduate of Calcutta university. She came over here to see methods of serving food and preparing food. She was in several restaurants in the capital here and in other places and she will go back in six months time taking that technical information that she got and apply it at home.

I was wondering if Mr. Moran could tell us what is being done with respect to agriculture? I have seen pictures and news items of Indians, Pakistani and Ceylonese in fields of grain and so on, and I take it that it is part of their program of fellowships.—A. Yes, Mr. Chairman, as I think Mr. Graydon knows, the United Nations moneys contributed to this technical assistance program are allocated among some of the specialized agencies—FAO and ILO, and so on. Of those allocations FAO is granted the largest percentage.

Q. Pardon me for mentioning this but I noticed in one of the reports, for instance, which I thought was pretty indicative of the headway that was being made, that in a region at Etawah in India, under the United Nations Point Four program there was a 100 acre area in which western methods were applied, new varieties of seed were grown, new kinds of manure used, and in that 100 acre region in India they had increased the crop return in a relatively short period by 45 per cent. The report of the Point Four program indicated that by 1956 there will be 600 areas of this type in operation in India—which I thought was a pretty expanded program and one which must eventually bear a lot of results, because the food problem in India as I understand it is the master problem today.

Mr. STICK: To carry on where Mr. Graydon left off, I think the problem of agriculture in most parts of India, particularly in Dacca and the north is the matter of irrigation. In southern India where you have a lot of rains in the monsoon season they can no doubt by proper cultivation have very largely increased crops.

However, I think that help to India as far as agriculture is concerned, although better methods of cultivation are necessary, will depend upon the amount of irrigation you can put in the Sind desert and in Pakistan in particular. It is a very dry area. If you can get water on it things will grow almost overnight. No doubt, in my opinion, modern methods will give you larger yields but it all depends on your water. I have seen maize growing six feet high in six weeks—but it depends on the moisture.

Mr. LESAGE: As I said in the House, under the Colombo plan Canada is helping India on a vast irrigation program.

Mr. STICK: That is the answer—irrigation.

Mr. Low: Mr. Chairman, this is a new vote—

The WITNESS: No. The money for last year was voted in the 1950-51 supplementary estimates—the amount was the same.

Mr. Low: There is no relationship between this \$850,000 and the sum which Canada may approve under the Colombo plan?

The WITNESS: No, sir.

Mr. LESAGE: There is no relation but under the Colombo plan we are working in close co-operation with the technical assistance people in the United Nations—very close co-operation.

Mr. Low: This sum would be voted then for administrative costs and would any gifts or donations given under the Colombo plan—such as that we gave last year—be given under here?

Mr. LESAGE: No, that would be administered under the Colombo plan itself.

Mr. Low: There is no item here that indicates where that money goes?

Mr. LESAGE: I beg your pardon?

Mr. Low: There is no item here which indicates where our contribution goes under the Colombo plan?

Mr. PICARD: Yes, items 113 and 114.

The WITNESS: There is a separate item on the next page.

The CHAIRMAN: Shall item 108 carry?

Carried.

Item 109.

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
	INTERNATIONAL CIVIL AVIATION ORGANIZATION		\$	\$	\$	\$
109	To provide the International Civil Aviation Organization with office accommodation at less than commercial rates	170	76,046	66,604	9,442	

Mr. MACNAUGHTON: My few remarks are stimulated primarily by an article appearing in *Saturday Night* of May 10, 1952, written by Frank Low, and also one or two contacts with ICAO—International Civil Aviation Organization—located in Montreal.

As I understand the picture, in 1946 this United Nations Organization decided to come to Canada—being largely stimulated in the decision by the Right Hon. Mr. C. D. Howe who was smart enough to bring them here—on the understanding that they would have a location, a building within which to operate. By 1949 a ten-storey building had been constructed in Montreal and ICAO, this United Nations Organization moved into that building. I may say that as far as I know it is the only U.N. organization with its head office in Canada.

The annual payroll to the city of Montreal is approximately \$3 million. For some time the delegates have been objecting to the costs, rising costs, and recently they have been threatening to go elsewhere. For example, the rent which they pay annually amounts to \$225,000 which is the equivalent of \$2.66 per square foot. We are told that normal commercial rental for the same space would be approximately \$3.25 per square foot—so on that score they are being pretty well treated.

Over and above the annual rental, they are paying all Montreal taxes, paying all taxes the province of Quebec exacts, and I understand they have protested to the province of Quebec having written one or two letters but those letters have not been answered.

The CHAIRMAN: You say they have not been answered?

Mr. MACNAUGHTON: They have not been answered by the government of the province of Quebec and the organization is very upset.

In Rome, for example, one United Nations organization—FAO—occupied premises rent free. In Geneva several other United Nations organizations pay approximately 65 cents per square foot. Now, you can see the problem we face. This is the only United Nations body in Canada and we like to call ourselves the air capital of the world. We are extremely interested in aviation generally for Canada. Canadian aviators are supposed to be and are the best in the world. Locally speaking it can mean a loss of \$3 million annual payroll to the city of Montreal together with all the international co-operation and benefits of having international people in our midst.

So, I raise the question to see whether there is not some solution or some explanation we can get at this committee?

The WITNESS: Mr. Chairman, I have not seen the article in *Saturday Night*—it has just been put in front of me but I have not had an opportunity of reading it.

The situation as I know it is that this organization did come to Canada and the government undertook to provide them with suitable accommodation for which the rental would be on a non-profit basis.

Arrangements were made for the Department of Public Works to lease from the Canadian National Railways the building that the organization now occupies in Montreal, and to sub-let it to ICAO. The commercial rental figure that was worked out between the Department of Public Works and the Canadian National Railways amounted, as Mr. Macnaughton has said, to \$3.25 per square foot.

MR. STICK: \$2.65.

THE WITNESS: \$3.25 was the commercial figure.

They then extracted items such as interest on the money, real estate taxes, amortization, cost of maintenance, and so on, and produced a figure of \$2.50 per square foot as representing rental at cost—that is with no element of profit in it.

ICAO agreed to lease the building and pay rental on that basis. In addition to the \$2.50 there was the ICAO portion of renovations and alterations which were carried out in the building to make it suitable for ICAO purposes, and that figure amounted to 16 cents per square foot or at total rental to ICAO of \$2.66 per square foot. It is on that basis that the rental has been paid.

At the last ICAO assembly last year some of the Latin American countries introduced a resolution to move the headquarters from Canada to some area of the world where dollar expenditures would not be involved—and that resolution was defeated. The matter is on the agenda again this year for the ICAO assembly which begins on the 27th of this month.

I think the main concern of those countries who want to move is the dollar expenditure involved. In addition they have indicated that they feel the rental they are being called upon to pay is too high, and they have made reference to the rentals paid by some of the United Nations organizations in other places.

They have had discussions and some correspondence with the province of Quebec in connection with the local sales taxes and certain other privileges which they have requested be extended to them. My understanding is that the President of the Council, the secretary general and the assistant secretary general now enjoy full diplomatic privileges and are relieved from all the various forms of taxation.

As far as the Canadian government is concerned it has extended diplomatic privileges to the members of foreign delegations who come here for the ICAO assembly.

I am not entirely familiar with the exact details of the difficulties they have had with the provincial government. The last I had to do with the matter was a discussion with the assistant secretary general about a year ago, at which time he was hopeful of being able to resolve the difficulties which then existed with the Province of Quebec. Before the next assembly of ICAO, a representative of the permanent secretariat will be coming to Ottawa for discussions with us about the continuing problems. We will at that time see what assistance can be given in solving those difficulties. As Mr. Macnaughton has said, this organization brings into our country perhaps something in the neighbourhood of \$4 million a year. There are, as we all recognize, a number of advantages in doing what is possible, reasonable, and practical to maintain that organization in Montreal.

THE CHAIRMAN: That would mean there would be over 1,200 employees? Are there that many people working in that office—\$3 million would represent 1,000 employees at \$3,000 a year?

THE WITNESS: The figure I gave, sir, refers not only to the people on the permanent headquarters but also to the council members. At the general

assembly each year there are delegations sent to Montreal by the 50 odd member countries. The figure I have given includes the amounts spent locally on rents, food, clothing, other personal items and general living expenses. As you can readily understand it is an estimate and not a figure that has been worked out in precise detail.

The CHAIRMAN: What would be the actual personnel of that bureau?

The WITNESS: ICAO headquarters? I haven't the figure, but it would not be very difficult to obtain. It is a large organization and that is indicated by the fact that they occupy over 87,000 square feet of space in the building.

Mr. MACNAUGHTON: And they are very highly qualified professional men too in that field.

The CHAIRMAN: Shall the item carry?

Carried.

Item 110, to provide for preliminary studies and surveys of the mid-western water shed:

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
110	To provide for preliminary studies and surveys of the Mid-Western Watershed.....	171	\$ 10,000	\$ 10,000	\$	\$

Mr. GRAYDON: Is that in Manitoba?

Mr. MCCUSKER: What is the item?

The CHAIRMAN: It is item 110 on page 15.

Mr. LOW: I think that is the one in Manitoba.

Mr. STICK: Do you know what page that is on?

Mr. MCCUSKER: Is that the one to which reference was made the other day?

Mr. STICK: I think that was in Saskatchewan or in Alberta.

The CHAIRMAN: With regard to the previous item, Mr. Macnaughton, did you want to make any recommendation?

Mr. MACNAUGHTON: No, I would not anticipate Canada making any recommendation, but I do think this is a matter of very serious local interest for Montreal and for Canada as a whole. We certainly do not want to lose the professional men of that organization, especially as we are a principal country in the future in international aviation.

The WITNESS: While I am sorry I haven't the details of this item. I can only tell you why this \$10,000 is in here, I cannot tell you what the project is. I will get the information and give it to you at the next meeting. This \$10,000 is simply the residual figure now being spent by the Department of External Affairs for in investigation and it is to pay the expenses of certain technical people who are working with the commission.

The CHAIRMAN: Suppose we pass the item and get more information later?

Mr. PICARD: You asked Mr. Macnaughton a moment ago if he had any recommendations to make with respect to ICAO—that is item 109—may I suggest that when you come to consider your report you might add an item stating that it might be advisable for the Canadian government or for the Department of External Affairs to take whatever steps they can to try to make sure ICAO stays here.

The CHAIRMAN: That is why I asked the question, Mr. Picard.

Item 111—shall the item carry?

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
111	To provide for Canada's share of an investigation on the matter of air pollution in the vicinity of Detroit and Windsor.....	172	\$ 52,784	\$ 40,000	\$ 12,784	\$

Carried.

Item 112—shall the item carry?

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
112	To provide for Canada's share of the expenses of the Niagara Falls Reference.....	172	\$ 10,000	\$ 50,000	\$	\$ 40,000
	Appropriation not required for 1952-53.....	172		50,000		50,000

Carried.

Item 113—shall the item carry?

No. of Vote	Service	De- tails on Page No.	1952-53	1951-52	Compared with Estimates of 1951-52	
					Increase	Decrease
113	Colombo Program for Technical Co-operation in South and South-East Asia.....	173	\$ 400,000	\$ 400,000	\$	\$

By Mr. Low:

Q. Mr. Chairman, I am afraid that I missed asking a question a few minutes ago; or, perhaps I did not make myself clear. What I wanted to find out was what organization administers the Colombo plan. We have heard a lot about the Colombo plan but I have never heard any discussion as to just what is the organization that actually administers it. I also want to find out if I can what relationship exists between the organization which administers the Colombo money and the United Nations expanded program on technical assistance.—A. The United Nations have a liaison officer in Colombo where the headquarters of this organization is located.

Q. What is the name of your other organization?—A. The Council for Technical Co-operation in south and south-east Asia. Its headquarters are at Colombo.

Q. That is the first time I ever had that information from any place, and it is interesting to me to know just what the relationship is between the Colombo program for technical co-operation and this plan for loans to countries in south and south-east Asia. All I want to do is to try to get the thing clear.

Mr. PICARD: Maybe Mr. Moran might give the committee some information as to the results that have followed the work of that organization.

Mr. LESAGE: If you will refer to pages 758 and following of Hansard this year you will have the full details of the Colombo plan itself, the \$25 million and all the expenditures under the Colombo program for technical co-operation in south and south-east Asia. I gave it fully to the House on that occasion.

Mr. PICARD: As well as the administrative set-up.

Mr. LESAGE: The administrative set-up is the same for the technical co-operation program as it is for the others. This committee was meeting at that time in Karachi and Mr. McIlraith was there as the head of the Canadian delegation. The committee dealt with the expenditures of moneys for capital development, or for economic development. It was decided by the consultative committee that our first \$25 million would be allotted \$10 million to Pakistan and \$15 million to India, and we are working directly with the government of Pakistan on the appropriate way to develop projects on which we can agree.

Mr. Low: In the first clause there appears to be duplication.

Mr. LESAGE: No. There are these three things; there is the capital assistance provided under the Colombo plan, of which we supply \$25 million; the second thing is technical co-operation in the Colombo plan—and for that there is a vote of \$400,000; and then there is a contribution to the technical assistance under the United Nations of which our contribution is \$850,000.

Mr. GRAYDON: I think the whole of that comes under the item “terminable services,” and item 113 deals with the Colombo program for technical co-operation in south and south-east Asia. Now, we go on to item 114, which does not indicate at all that it has anything to do with the Colombo plan which is an entirely different plan. I think that is what Mr. Low was trying to get information on.

Mr. Low: At first glance there appears to me to be a duplication and there is no attempt to relate these various important things.

Mr. LESAGE: If you will look at item 114, you will see that it is to assist in economic development.

Mr. Low: Yes.

Mr. LESAGE: And the amount involved there is \$25 million.

Mr. GRAYDON: Yes, but does it not say that is the Colombo plan?

Mr. LESAGE: That is the Colombo plan. The other is a different vote.

The WITNESS: Mr. Chairman, we will be happy to amend this in any way the committee suggests. This is the same wording that was accepted by the committee last year and we have repeated it this year; but there is no reason why it cannot be altered in any way the members desire.

Mr. Low: That is very definitely the reason I asked my question.

Mr. GRAYDON: I do not think the situation is so serious that we should change it this year. It would be a good idea for Mr. Moran to make a note of that for next year and make a change in the wording of the three sections, one for each main subject.

The CHAIRMAN: It can be done under the south-east Asia Colombo plan?

Mr. GRAYDON: Yes.

The CHAIRMAN: Carried.

Mr. RILEY: Mr. Chairman, referring to item 112, to provide for Canada's share of expenses of the Niagara Falls reference—appropriation not required for 1952-53. I understand that refers to the St. John river. I wonder if the witness would mind giving us some information in connection with that?

The CHAIRMAN: What item is that?

Mr. RILEY: That is appropriation number 112.

The WITNESS: Well, that refers simply to an item that was in last year. If you are to be in a position to make a complete comparison between last year's expenditures and this year's requirements it is necessary for us to include the list of last year's expenditures. This is not a 1952 expenditure and I understand the project is completed.

Mr. RILEY: Is that a project of the St. John river?

Mr. PICARD: I think, Mr. Riley, that that does not apply especially to item 112, it applies to the whole list.

Mr. RILEY: I see it is under 112. Perhaps I did not make myself clear.

Mr. LESAGE: What you are pointing out is that there is no money there for continuing the study on the St. John river.

Mr. RILEY: I understand that at the present time there is a committee of the International Joint Commission studying the situation there and making a survey, and I was wondering whether that particular item might be brought in here.

Mr. LESAGE: I understand that was completed last year.

The WITNESS: I would have to get that, Mr. Chairman, from the International Joint Commission. The Department of External Affairs plays no part in the actual technical operations carried out under the direction of the commission, or the appointment of any special advisers made by them. I would have to get that information from them, and will.

By Mr. Riley:

Would you undertake also to get some information regarding the proposed survey that may be discussed at the present time with respect to power on the St. John river by a committee of the International Joint Commission?—A. Yes. It would not be a committee of the International Joint Commission, because the International Joint Commission is a body made up of representatives of the United States and Canada.

Q. Do they not set up committees?—A. It employs experts as it has done in the past to assist in studies; for example, engineers and technicians; but I do not know that they are ever referred to as a committee.

Q. In the case of the Passamaquoddy they actually set up a committee.

The CHAIRMAN: Would it be satisfactory to get that information later?

By Mr. Croll:

Q. In this connection might I ask whether Mr. Moran could get us any information, find out from the International Joint Commission, whether at the present time there is an active study being made with respect to water levels of the Great Lakes and particularly of Lake Ontario? I am very anxious to find out what they are doing there. While this is not primarily a matter for the Department I know that studies are taking place.—A. The United States have made approaches to us in connection with information submitted to Washington that the discontinuance of the Ogoki River diversion and the removal of the Gut Dam would result in the removal of the cause of the recent flood damages along Lake Ontario. Studies that have been made by

technical people indicate that the change in the level of Lake Ontario on account of the Ogoki River diversion is a matter of some six inches, and that the Gut Dam has an effect of perhaps something similar; so that even the removal of Gut Dam, the construction of which was agreed to by the United States and which is essential for purposes of navigation and a discontinuance of the Ogoki River diversion, would not to any appreciable extent remove the cause of the present high levels of Lake Ontario which are due mainly to the abnormal rainfall this year. Actually, as far as the Ogoki River diversion is concerned it has now been temporarily discontinued by the Ontario hydro. In the case of the Gut Dam, Canada has been pressing to have its proposal concerning the St. Lawrence seaway placed before the International Joint Commission; and in that proposal is a method of regulation of the waters of Lake Ontario which has been drawn up and approved by engineers in both countries which would go a long way to correcting the present difficulties. It provides also for the removal of the Gut Dam.

By Mr. Graydon:

Q. The difficulty is that by the time we get this St. Lawrence waterway regulation into effect the damage to constituents in the constituency represented by Mr. Croll, and to some of the constituents represented by myself, will have been most severe; their houses will be in Lake Ontario because of the erosion that is taking place now on Center Island and along the lake shore. I was in a house in Clarkson within the last two or three weeks where because of the high water level and the storms and waves dashing up on the shore it broke in and knocked down a cement block wall and poured the whole recreation room full of gravel and stone. That is indeed an indication, an example of the effect of lake shore erosion there. It is all very well to say that the Gut Dam and the Ogoki diversion will only affect it by a few inches. That is not what the people of Toronto Island and in Clarkson and Port Credit think; because all of these scientific answers do not go very far when a person's house is perhaps only waiting for the next erosion to dump it into the lake, and those are the situations that we are facing at the present time.—

A. I did not intend mine to be a scientific answer Mr. Graydon, because I would be the least qualified to give such an answer. The point I was trying to make was that the discontinuance of the Ogoki River diversion and the removal of the Gut Dam would not in themselves result in the removal of the difficulties to which Mr. Croll has referred; nor should my remarks be interpreted to mean that the submission to the International Joint Commission on the St. Lawrence seaway will do it. This proposal which embraces a plan for the regulatory control of waters of Lake Ontario was drawn up in 1941, which is a matter of 11 years ago. The point I was trying to make was that if this plan had got before the IJC and been approved, there is a good possibility that some of the 1952 spring difficulties might not have been experienced. What the solution is I am neither able nor competent to say; except, I think it is appropriate to point out that the two suggestions that have been made by United States residents that the discontinuance of the Ogoki River diversion and the removal of the Gut Dam would correct the difficulties are perhaps not entirely correct according to technical evidence.

Q. Well, may I ask Mr. Moran another question on that. When the St. Lawrence seaway development has been completed will it be possible then, as I understand it—and I am not asking you to give evidence, technical evidence about it, because as you very properly said you were not qualified—but when that is completed can we have any assurance that Lake Ontario can be regulated so far as levels are concerned so that this kind of thing will not happen in the future?—A. I think, Mr. Chairman, that assurance can only

be given by the person who regulates the rainfall which has been a major cause of the extraordinary high level of Lake Ontario this year.

Q. Where did you get this expert advice on the rainfall being the cause of it? I have heard a lot of other things but I have not heard that very seriously advanced.

Mr. BENNETT: I have seen it expressed that way a number of times in the newspapers.

The CHAIRMAN: The country where I come from is on a height of land, so we do not have so much to worry about the effects of rainfall, but I do remember my good friend, Mr. MacNicol, who had definite opinions on the height of water, and the Chicago water steal, and I think that nature sometimes is above the might of human beings. I hope there will be a remedy, but I cannot see how there can be an immediate one.

Mr. GRAYDON: If there is no remedy there will be a lot of people ruined.

Mr. BENNETT: What is more important, the height of water in Georgian Bay has been very high this year, too.

The CHAIRMAN: Shall item 113 carry?

Carried.

Item 114. Shall that item carry?

Carried.

Item 115. Shall the item carry?

Carried.

Shall we report the estimates? I believe that is all.

The WITNESS: Could I finish off the record so it will not be necessary to go back to some of these matters at a later meeting?

The CHAIRMAN: Before we proceed, I believe it would be in order to pass item No. 94 even if we do have come before us a delegation of the United Nations Association. I do not believe the vote could be changed in any way. We have no power to do it. If it is agreeable, we will pass item 94 and refer our report to the House.

Carried.

The WITNESS: First, I gave an inaccurate answer at an earlier meeting to Dr. McCusker when he asked if a Canadian born citizen automatically lost his Canadian citizenship when he took citizenship in another country. To that question I gave the answer no. I find that the position of a Canadian born citizen is precisely the same as that of a Canadian naturalized citizen, and under the provisions of the Act when he does any positive or voluntary act in acquiring citizenship in another country, he automatically loses his Canadian citizenship.

Mr. Graydon or Mr. Fleming asked if we could produce information concerning the contributions from other governments to the international committee of the Red Cross. There has come in this afternoon a telegram and the information is given as to the contributions for 1950 and 1951, but the amounts are in Swiss francs. I can give them in that form or hold it for another meeting and convert them into Canadian dollars.

By Mr. Croll:

Q. They won't mean much in Swiss francs.—A. The Canadian dollar is, roughly, the equivalent of four Swiss francs.

Q. That is all right, then.—A. I can give them now or leave them for another meeting.

Agreed.

The WITNESS: Mr. Fleming asked for details of an expenditure under legal services of \$764. At that time I said it was in connection with the service of some papers on behalf of a Foreign Embassy, and I was not clear on the details but said I would get them. We received from the French Embassy some papers to be served and evidence to be collected in Quebec in connection with three criminal cases in France, and in the normal way passed these on to the Attorney General of the province of Quebec, who in turn employed a private practising lawyer. The information and the details were obtained, the necessary legal work was done, and the documents were returned through the same channel, the Attorney General of Quebec to External Affairs to the French Embassy. There later followed a bill from the lawyer. It was passed to the French Embassy and they made representations that this was a form of service, which is provided gratuitously in France to foreign countries, and requested on grounds of reciprocity that there be no charge to them for the service rendered. The suggestion was that if the Canadian government now or at some future date had a similar requirement and requested the French authorities to perform the same sort of service on its behalf there would be no charge levied. That in fact is the normal procedure in most of the provinces of Canada, because in most cases such work is done by the attorney general's office itself. In this case it happened that a private solicitor was employed for the job and somebody had to pay his fee. There was no reason for the province of Quebec to do so as it had acted only as a post office agency on behalf of the External Affairs Department. It thus became a matter of the Canadian government or the French government meeting the bill.

I think there are no other outstanding questions.

The CHAIRMAN: I believe it will be in order now to pass a resolution that items 85 to 115, inclusive, of the main estimates of the Department of External Affairs be referred back to the House, having been approved by this committee.

Agreed.

We are all agreed now that we will meet again tomorrow night at 8.30 so as to discuss the Genocide Convention. Also, there is a meeting of the steering committee, which will be held in my office tomorrow morning at 10.30.

Mr. GRAYDON: It is customary to have some recommendations from the committee, but I take it that will be after?

The CHAIRMAN: Yes. We have some other references now. I thank you very much, indeed, gentlemen.

HOUSE OF COMMONS

Sixth Session—Twenty-first Parliament, 1952

Government
Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. BRADETTE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

THURSDAY, MAY 8, 1952

FRIDAY, MAY 9, 1952

Convention on the Prevention and Punishment of the Crime of Genocide.

REPORT TO THE HOUSE

WITNESSES:

Mr. H. O. Moran, Asst. Under-Secretary of State for External Affairs,
Mr. Price Erichsen-Brown, Legal Adviser, Dept. External Affairs and
Mr. A. J. MacLeod, Senior Advisory Counsel, Department of Justice.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1952

FRIDAY, May 9, 1952.

REPORT TO THE HOUSE

The Standing Committee on External Affairs begs leave to present the following as a

THIRD REPORT

On May 7, 1952, the House referred to the Committee the following Resolution:

Resolved, That it is expedient that the Houses of Parliament approve the ratification by Canada of the Convention on the Prevention and Punishment of the Crime of Genocide as signed by Canada on November 28, 1949, and that this House do approve the same.

Your Committee has considered and approved the above mentioned Convention and the Resolution based thereon.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, May 8, 1952.

The Standing Committee on External Affairs met at 8.30 o'clock p.m., this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Bater, Bennett, Bradette, Churchill, Coldwell, Croll, Decore, Fraser, Graydon, Jutras, Lesage, Low, MacKenzie, Murray (Cariboo), Quelch, Richard (Ottawa East), Riley, Stick.

In attendance: Mr. H. O. Moran, Assistant Under Secretary of State for External Affairs; Mr. Price Erichsen-Brown, Legal Adviser, External Affairs Department, and Mr. A. J. MacLeod, Senior Advisory Counsel, Department of Justice.

The Chairman presented the First Report of the Sub-Committee on Agenda and Procedure recommending:

1. That Dr. Solandt be not called before this Committee.
2. That Mr. G. McIlraith, M.P., and Mr. Nik Cavell be heard at a future meeting, to report on the operation of the Colombo Plan.
3. That the United Nations Association of Canada be permitted to submit a written brief.

The Report was adopted.

With unanimous consent, Mr. Crestohl, M.P., was invited to join this sitting of the Committee.

Mr. Moran was called, answered questions asked at previous meetings, and retired.

The Committee proceeded to consideration of the Convention on the Prevention and Punishment of the Crime of Genocide.

A copy of the Convention and a list of the member nations was placed on the record.—*See Appendices A and B to this day's Evidence.*

Article I was called.

Mr. J. Lesage, M.P., Parliamentary Assistant to the Secretary of State for External Affairs, explained the Convention, its aims and implications.

Discussion continuing thereon, at 10.15 o'clock p.m., the Committee adjourned until 10.00 o'clock a.m., Friday, May 9.

FRIDAY, May 9, 1952.

The Standing Committee on External Affairs met 10.00 o'clock this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Bater, Benidickson, Bennett, Bradette, Churchill, Coldwell, Decore, Fraser, Gauthier (Lac St. Jean), Kirk (Digby-Yarmouth), Lesage, Low, Murray (Cariboo), Quelch, Richard (Ottawa East), Riley, Stick.

In attendance: Mr. Price Erichsen-Brown, Legal Adviser, Department of External Affairs and Mr. A. J. MacLeod, senior advisory counsel.

The Genocide Convention was further considered.

On motion of Mr. Stick,

Resolved,—That the Committee proceed to the consideration of the Convention, by Articles.

Articles I to XIX, the preamble and Convention were adopted.

The Chairman was instructed to report the said Convention on Genocide to the House with the approval of the Committee.

At 11.30 o'clock a.m. the Committee adjourned to the call of the Chair.

E. W. INNES,
Clerk of the Committee

EVIDENCE

MAY 8, 1952,
8.30 p.m.

The CHAIRMAN: Gentlemen, we have a quorum and we will call the meeting to order.

Mr. GRAYDON: We have a new member, Mr. Chairman—Mr. Churchill.

The CHAIRMAN: Yes. And we welcome Mr. Churchill. This morning we had a meeting of the steering committee. I knew that Mr. Graydon would not be present and I tried to get Mr. Fraser and Mr. Churchill, but could not contact either of them. The first order of business we dealt with was the question of Dr. Solandt coming before our committee, and it was decided not to call him.

Mr. GRAYDON: Hear, hear.

The CHAIRMAN: I saw Mr. Graydon before, and all the parties were represented at the meeting of our steering committee, and it was decided to leave that over.

The second order of business was to send an invitation to Mr. George McIlraith and Mr. Cavell to come here together and to speak on matters concerning, among others, the Colombo Plan, and I was told personally that he would be with us early next week and be at our disposal.

Then I was instructed to get in touch with Dr. Kirkconnell, the president of Acadia University of Wolfville, Nova Scotia, to have him give us a conference on genocide. I contacted him in Halifax and he told me that he would be busy until early next month, but after the 2nd or 3rd of June, if we so desire, we can have a meeting at which he will gladly present to us his knowledge and his views on the question of genocide; so we can leave that in abeyance for the present time. Whether it will be too late, I do not know.

Mr. LESAGE: I thought this morning that we agreed in the agenda committee that we could hear him on Monday next, and that that was the latest date, and if he could not come by Monday next we could not prolong the committee until the month of June.

The CHAIRMAN: Is that agreed?

Agreed.

Then the last order of business was that letter I already read to you that was addressed to this committee on February 15, 1952 from the United Nations Associations of Canada, and it was decided this morning that we will ask that organization to present a brief that will be read here to the committee, but not by any delegate from that organization. Is that satisfactory?

Carried.

Mr. GRAYDON: Before we go on, Mr. Chairman, may I make one suggestion. Due to the fact that we are discussing the question of the Genocide Convention, and there are some people in our parliament who have special reasons for being specially interested in this, one of whom is here but who is not a member of this committee, Leon Crestohl, could we not invite him to come up here to the table even though he is not a member of the committee?

Agreed.

Mr. CRESTOHL: Thank you very much.

The CHAIRMAN: I believe that Mr. Moran will want to complete a few answers on some of the items we passed yesterday. There are two or three questions that are to be answered, and I will now ask Mr. Moran to do that.

Mr. H. O. Moran, Assistant Under Secretary of State for External Affairs, called:

The WITNESS: Yesterday afternoon Mr. Riley asked if it would be possible to ascertain from the International Joint Commission what the present status was of the St. John river reference. This joint reference of the governments of Canada and the United States was submitted to the I.J.C. in September, 1950, and the commission was to determine and recommend what projects for the conservation and regulation of waters in the St. John river system above Grand Falls would be practicable and in the public interest. In October, 1950, the commission appointed the International St. John River Engineering Board to assist in the investigation and that board has carried out surveys and investigations in the area and presented progress reports to the commission. These investigations are continuing and the moneys to cover their work is included in the estimates of the Department of Resources and Development for this year. I had explained to the committee at an earlier meeting or perhaps last year that as the International Joint Commission is under the general administration of the Department of External Affairs, the costs of first year's investigation of any references are normally, for purposes of convenience, included in the estimates of the External Affairs Department, and the costs of the continuing work are inserted in the estimates of the appropriate department, which in this case is Resources and Development. The commission itself proposes to visit the area in July next and hearings will be held when the engineering investigations are sufficiently advanced and a report has been made. The reference to the International Joint Commission was requested by the premier of New Brunswick.

Mr. Picard asked for some figures concerning the language qualifications of the staff of External Affairs serving at posts abroad. The information available from records in the department, and I should point out that these figures will be on the conservative side because there are personnel abroad who we know have developed some proficiency in the language during the past year and have not seen fit to report to the department, perhaps because of modesty or for other reasons, that they now regard themselves as having a working knowledge of the language.

At French-speaking posts we have 18 foreign service officers serving, and 14 have a working knowledge or better of the language. At English-speaking posts there are 42 officers serving, all of whom have a working knowledge or better of the language. At foreign language posts—that is, in countries where the language is other than English or French—there are 38 officers, and 27 have a working knowledge or better of the language of the country in which they are serving. Of the remaining 11 officers, eight are serving their first term in the country and have been there for less than one year. Some general statistics on this same subject of language qualifications which might be of interest to the committee are that in our service we have officers qualified in the following languages: Arabic, 1; Bulgarian, 1; Chinese, 4; Chinese Mandarin, 2; Czech, 2; Danish, 4; Dutch, 5; Flemish, 1; German, 37; Greek, 4; Hindustani, 1; Icelandic, 1; Italian, 12; Japanese, 5; Norwegian, 5; Polish, 2; Portuguese, 6; Russian, 12; Servo-Croat, 1; Spanish, 32; Swedish, 3; Turkish, 1; and Ukrainian, 1.

Mr. Richard had asked at an earlier meeting about long-term employees in the department who were still temporary. I would like to confirm the statement I made at that meeting that there is no foreign service officer in the

Department of External Affairs with five years' or more service who is not permanent. Among the administrative staff there are 56 with five years' service or longer who are still temporary, and of these 26 are not qualified for permanency, 10 have qualified within the past year but they must be on an eligible list for a period of 12 months before they can be recommended for permanency, two are qualified but do not wish to be made permanent, 12 are under consideration now that they have qualified, and two are not considered suitable for permanency. This makes a total of 52. The remaining four are persons for whom recommendations for permanency have gone forward but are not yet processed.

Mr. Chairman, I received this afternoon some figures showing the business transacted in the Passport office during the month of April, and as this is the type of thing that requires the department from time to time to ask for increases in staff in order to keep up with increased volume of business, I thought it might be of interest to the Committee to know that the passports issued during the month of April of this year were 7,600, as compared with 6,736 in April of 1951, an increase for the month of 864 passports. The passports renewed during April of this year, 384, and in April of last year, 1.

Certificates of identity issued in April of this year, 375 as compared with 182 last year. Certificates of identity renewed this year 122, as compared to 64 last year. And the revenue in April of this year was \$41,000 as compared with \$35,000 in April of last year.

Mr. COLDWELL: How do you account for the large increase in revenue in April of this year as compared to last year?

The WITNESS: Perhaps the Olympic games would be one contributing factor, people planning a trip to Helsinki; and, perhaps people have more money for travel purposes. I think that concludes my statement, Mr. Chairman. I would like to thank the members of the committee for their tolerance during the days that I have been with them.

Mr. FRASER: You have been a good witness.

The CHAIRMAN: Thank you very much, Mr. Moran.

And now, gentlemen, you have before you the convention on the prevention and punishment of the crime of genocide. I will call the preamble last, and I will start by calling article I: article I is the first statement in this very important instrument, we will proceed with the articles one by one, in the order in which they are listed.

Mr. LESAGE: Mr. Chairman and gentlemen, with the copies of this convention you will have a separate sheet which is a list showing the countries which have signed the genocide convention and also those countries which have not yet ratified.

Mr. JUTRAS: Where is that? We haven't got copies of that yet.

Mr. LESAGE: I am sorry. I have given them to the messenger to distribute, I will insert this list on the record. See *Appendix "B"*.

Mr. STICK: All right, go ahead.

Mr. LESAGE: On the right hand side of the list are the names of the countries which have ratified or acceded to the convention. The asterisks in front of the names of certain countries mean that either the signature or the ratification by the country involved has been made with reservations—I will deal with the question of reservations in the course of my statement.

The general assembly of the United Nations unanimously adopted on December 9, 1948, the text of the convention on the prevention and punishment of genocide, which was the first international treaty ever prepared by the United Nations and opened for signature and ratification by the states of the world. Canada's representative at the first part of the third session

of the general assembly in Paris in 1948 was one of those who supported the principle that the genocide convention should receive the widest possible application.

The purpose of the genocide convention is to make the destruction of human groups an international crime. It applies to all mass murders or to any action which involves essentially the denial of the right of existence to entire human groups. The crime is defined in article II of the convention. In the first sentence of this article the crime is restricted to acts committed with intent to destroy, in whole or in part, national, ethnical, racial or religious groups.

Mr. GRAYDON: The way it reads in the copy I have before me is "in whole or in part".

Mr. LESAGE: Yes, in whole or in part, national, ethnical or religious groups. I was not reading from the context, I was just abbreviating. Contracting states undertake to prosecute persons guilty of this crime in their national courts and, subject to certain conditions, to facilitate their extradition to contracting states for trial in their national courts.

The convention was signed by Canada on November 28, 1949; it did not come into force until January 12, 1951, being 90 days after the deposit of twenty instruments of ratification or accession under article XIII of the convention. During this interval a difficult legal problem arose as a result of reservations to the convention made by certain states. I have distributed to members of the committee copies of the list of the countries which have made reservation, and you can see them by the asterisks. It will be observed that after the names of certain countries there is an asterisk and a foot-note that these countries have made reservations. These countries are all communist countries with the exception of the Phillipines. The most important of the reservations were against the application of article IX of the convention which enables disputes concerning "the interpretation, application or fulfillment" of the convention to be referred to the International Court of Justice.

I will read the text of one of the reservations made by the Soviet Union which is typical of all the others.

Mr. Low: Are all the others the same?

Mr. LESAGE: I quote: "as regards article IX, the Soviet Union, (the names Byelorussian S.S.R. the Ukrainian S.S.R. and Czechoslovakia were installed in their respective reservations at this point) does not consider as binding upon itself the provisions of article IX, which provides that disputes between the Contracting Parties with regard to the interpretation, application and implementation of the present convention shall be referred for examination to the International Court at the request of any party to the dispute, and declares that, as regards the International court's jurisdiction in respect of disputes concerning the interpretation, application and implementation of the convention Soviet Union (the Byelorussian S.S.R., the Ukrainian S.S.R., Czechoslovakia) will as hitherto maintain the position that in each particular case the agreement of all parties to the dispute"—and I stress the words "all parties to the dispute"—"is essential for the submission of any particular dispute to the international court for decision."

Mr. GRAYDON: That is a veto.

Mr. LESAGE: It amounts to a veto applied to them by way of refusing to go before the International Court of Justice. I will explain that later on.

Mr. COLDWELL: Is that accepted?

Mr. LESAGE: That is exactly what I am dealing with in the whole of my statement, sir.

Mr. DECORE: What is the alternative? Is there any alternative proposed if it is not to be the International Court of Justice?

Mr. LESAGE: No, I go on to explain all that in my statement.

Mr. GRAYDON: But we are interested in that information.

Mr. LESAGE: Well, that is what the statement is for and I would prefer it if questions were asked after my statement is completed. I think that my statement will answer a lot of them.

Under article IX the International Court of Justice could make a declaratory judgment as to whether or not a contracting state was carrying out its obligations under the convention. That is what article IX is for. It would enable a declaratory judgment to be obtained from the International Court of Justice.

Mr. COLDWELL: You are getting too involved there, are you not?

Mr. LESAGE: Oh, no. I was explaining that the International Court of Justice judgments are binding as between states, they are legally binding. The International Court of Justice does not exercise any criminal jurisdiction and it has no authority to try individuals. Essentially it resolves disputes between states which have consented to its jurisdiction and gives advisory opinions upon the request of the United Nations.

No international penal tribunal has yet been established, but the "possibility and desirability" of such a tribunal has been under consideration in the United Nations which will have before it a draft statute for such a court when it reconsiders the question at the seventh session in the fall of 1952.

However, as it appears to us, it is doubtful if any international penal court will be established for many years to come because of the great practical difficulty of bringing an individual before such a court without the co-operation of the state where he is to be found.

Article VI of the convention provides for trial either in international courts or before an international penal tribunal. The concluding words are, and I quote:

Such international penal tribunal as may have jurisdiction with respect to those contracting parties which accepted its jurisdiction . . .

In other words, ratification by Canada or any other state will not involve any immediate obligation to surrender persons for trial by such tribunal, firstly because the tribunal does not exist, and secondly because even if it were established it would be necessary for any state to specifically agree to accept its jurisdiction and be a party to the convention.

The practical effect of article VI of the convention is accordingly that persons guilty of genocide are to be tried in national courts. It is important that there be a clear understanding of the different purposes served by those two articles—article VI and IX—in order that the effect of the communist reservations may be fully understood.

If the crime of genocide is committed in Hungary, for example, the place of trial would be Hungary—unless Hungary has pledged itself to extradite for trial in another country by a separate extradition treaty under article VII. Accordingly, the responsibility of prosecuting for genocide committed in Hungary would remain for all practical purposes with the government of Hungary itself. It is because of the fundamental fact that no effective machinery for enforcement internationally exists that article IX of the convention is important.

Under article IX one contracting state can bring another contracting state before the international court of justice which can make a declaratory judgment as to whether the latter state was or was not carrying out its obligations under

the convention. That is the effect of article IX. It is the only article which, from the point of view of international enforcement as distinct from national enforcement has any teeth in it.

Mr. GRAYDON: Has any what?

Mr. LESAGE: Any teeth in it.

It is not surprising, therefore, that when the reservations to article IX were made by the communist countries a number of other states filed objections and informed the secretary general of the United Nations who acts as depository under the convention that there was no right to make reservations against the obligations of article IX.

The problem of reservations to multilateral conventions is a difficult one, and the secretary general of the United Nations who, as I have just said acts as the depository of instruments of ratification or accession under the convention, was in doubt as to the course which he should pursue regarding these reservations to article IX and the objections to the reservations. Accordingly, he asked the General Assembly for instructions at its fifth session in the fall of 1950 in New York. The General Assembly, acting upon the advice of its legal Committee, decided to ask the International Court of Justice for an advisory opinion concerning the right to maintain reservations if other states objected thereto. At the same time it asked the International Law Commission to make a study of the general problem.

The International Court of Justice on May 28, 1951, delivered an opinion in which it said that any state could be regarded as a party to the convention even although it had made a reservation and notwithstanding the objection of another state if the reservation in question could be regarded as compatible with the objects and purpose of the convention.

Unfortunately, it did not lay down any rule as to when the reservation was to be deemed compatible and when it was to be deemed incompatible, but it said—and this is where it is difficult—that a question of compatibility was for the subjective appraisal of each state.

Mr. GRAYDON: They are getting in deeper all the time.

Mr. LESAGE: That is where we are. That is the advisory opinion of the International Court of Justice. This opinion, which was by a majority of seven to five, with Justice Sir Arnold McNair of the United Kingdom and Judge Read of Canada both joining in a vigorous dissenting opinion, was said by several representatives at a recent session of the United Nations in Paris to have created a condition of "legal chaos."

Mr. STICK: No doubt about it. The whole thing is chaos.

Mr. LESAGE: But even if there is chaos we have to take a decision as to ratification.

Mr. GRAYDON: We do not have to pay the judges that gave the decision.

Mr. LESAGE: I would not like to get involved in the usefulness of the International Court of Justice—which is said to be very useful, of course.

Mr. GRAYDON: It was not very useful on that?

Mr. LESAGE: That again is subjective.

The International Law Commission made certain recommendations—what I mentioned was the advisory opinion of the International Court of Justice. Now, the International Law Commission made certain recommendations as to what states might do in future conventions. Its most important recommendation was that a provision should be included in the text of the convention itself to govern the making of reservations and specify the effect of objections thereto.

Since no such provision had been included in the Genocide Convention, this recommendation had no effect in so far as the Genocide Convention itself was concerned.

The General Assembly in a resolution adopted after a protracted debate on January 12, 1952, merely recommended to all states that they be guided by the International Court of Justice.

There has been some misapprehension throughout Canada, and we have read articles in the papers from coast to coast, regarding the position of the Canadian government in regard to the ratification of the Genocide Convention. Many people have not realized that the delay in Canadian ratification has been owing to this very difficult legal problem.

When this difficult legal problem arose most of the states which had been considering ratification, including Canada, refrained from taking any further action in the hope that the situation might be clarified.

Mr. MACDOUGALL: Hear, hear.

Mr. LESAGE: It now appears, however, if Canada were to ratify the convention and, at the same time, object to the reservations of the communist countries on the ground that those reservations were incompatible with the objects and purpose of the convention, the communist countries for their part could, nevertheless, maintain that they were in fact entitled to be regarded as parties to the convention because the reservations were in fact compatible—since the court of justice—the International Court of Justice indicated that interpretation is subjective. Of course, in addition to those countries who have made the reservations, a number of other countries who did not follow on the question of reservations to multilateral conventions, the so-called traditional or League of Nations system, would agree with the communist countries on this issue.

Mr. MACKENZIE: Clear as mud.

Mr. LESAGE: Parliament is now asked to approve of Canadian ratification. The resolution which is before the House does not refer to the communist reservations. However it is necessary that this explanation be made to the House, because the legal effect of a ratification without reference to a prior reservation is to imply acceptance of the reservation by tacit consent, that is to say, by presumption of law. Accordingly it is proposed that Canada now ratify in the usual way, and simply ignore the reservations, since the only effect of our recording an objection thereto would be to create a doubtful legal position as to whether the communist countries were or were not bound to Canada, and Canada to them, as a matter of international contract. That would be the only effect of objecting to their reservations.

It is considered that, having regard to the terms of the opinion of the International Court of Justice, there is very little point in making a formal objection to the communist reservations. The communist countries, which are members of the United Nations are already by the fact of their membership, parties to the statute of International Court of Justice. However, as I said a minute ago, this does not mean that they have accepted its compulsory jurisdiction. They have in fact for a number of years refused to accept the compulsory jurisdiction of the International Court of Justice in a general way or in advance for any defined category of cases. They have consistently refused to have any disputes in which they are involved referred to the International Court of Justice in the absence of their specific consent to be given in regard to named existing disputes. Actually there is no case on record of the communist countries ever having agreed to submit a dispute to the International Court of Justice since it was first established in 1946. This means that the communist countries in making reservations to article IX are merely repeating a position which they have consistently taken on prior occasions in regard to the International Court of Justice.

Another important point which can be made is that the provisions of the convention of a law-making character have been accepted by the communist countries. That is an important fact. Reservations are to article IX. Article IX—and this article IX of the convention relates to enforcement—is not, strictly speaking, a law-making provision. Even although the convention as a whole is of a law-making character it could be argued that article IX is severable and therefore that a reservation to article IX is not “incompatible” with the objective of creating a new international criminal law. I do not say it is my opinion, but it surely can be argued, and with the decision of the International Court of Justice saying that the interpretation is subjective, well . . . so long as the main objective of this convention is considered to be to establish genocide as an international crime rather than to provide an effective means of trying those guilty of genocide, it is clear that the reservations against article IX can be accepted as “compatible”.

It has appeared to the Canadian government that on balance and having regard to the factors which I have mentioned, it would be desirable to contribute to the acceptance of genocide as a crime by ratifying, without attempting to exclude the communist countries by objecting to their reservations, even although there may remain, and will inevitably remain under existing conditions, no effective means of ensuring that they will in fact prosecute persons who may have been guilty of genocide in their own countries.

Well, Mr. Chairman—

Mr. MACDOUGALL: Could we refer this to the Supreme Court of Canada, Mr. Chairman?

Mr. LESAGE: Well, Mr. Chairman, there is no point in referring this to the Supreme Court of Canada because the Supreme Court of Canada does not have to deal with the opinions of the International Court of Justice in the international field.

Mr. DECORE: Isn't it true that convention with the communist reservations is nothing but a sham?

Mr. LESAGE: I do not agree. I just stated that it is creating international law and it does create international law by saying that genocide is a crime against mankind. All the countries who have signed and ratified the convention with or without reservations have agreed to punish the crime of genocide in their countries.

Mr. QUELCH: Mr. Chairman, I would like to ask if the nation that has made reservations in regard to article IX commits an act of genocide itself and they refuse to have the case referred to the International Court of Justice, then what action can be taken against it?

Mr. LESAGE: The individuals at the head of the state would commit the act of genocide.

Mr. QUELCH: Then, what action could be taken against them?

Mr. LESAGE: Well, it would have to be taken—if it is in a country which has made a reservation, we would have to ask them if they would accept—would you listen to the reservation, I will read it again—the end of it:

The Soviet Union will as hitherto, maintain the position that in each particular case the agreement of all parties to the dispute is essential for the submission of any particular dispute to the International Court for decision.

Which means one country can complain to the International Court of Justice and ask the agreement of the country in which the crime has been committed to come before the International Court of Justice, but that country, according

to the reservation, has not accepted the compulsory jurisdiction of the International Court of Justice. But I have stated already that the communist countries have never accepted—there is no case in which they have accepted the jurisdiction of the International Court of Justice for the settlement of disputes.

The CHAIRMAN: Before we proceed, we have with us a new reporter. You know what an ordeal it is in the case of members who ask questions without giving their names. I would ask if they would be good enough to do that; I believe it will help.

Mr. LESAGE: Before you proceed can I just introduce to the members of the committee Mr. Erichsen-Brown of the legal division of the Department of External Affairs, and Mr. MacLeod, a legal officer of the Department of Justice.

Mr. COLDWELL: The fact is that if in a country it is suspected the genocide is being committed and any country brings this to the attention of the International Court of Justice, before the matter can be discussed there the head of the state that we believe to be guilty of genocide must agree to the case being placed before the International Court of Justice; in other words, we all agree that murder is a crime, but if we have the same sort of analogy, I am accused of murder and refuse to have a case tried even though the friends of the person who was murdered try to lay a charge in the court.

Mr. LESAGE: I am sorry, sir, but the International Court of Justice could not try anybody for the crime of genocide; that is where the difference lies.

Mr. COLDWELL: You say that this is international law and that these nations recognize the crime of genocide; but surely the nations which planned this without reservation are nations which have always recognized mass murder.

Mr. CROLL: I am not so sure. I noticed by the list that 32 nations have ratified the treaty. I counted them, roughly. Is that right?

Mr. LESAGE: There are 36, I think, and 22 are ratified.

Mr. CROLL: Is that not, in itself, progress?

Mr. DECORE: No, but it is subject to certain communist reservations.

Mr. CROLL: No. These people signed without reservation.

Mr. LESAGE: 32 have ratified without reservation, or have acceded to it and 4 have either ratified or acceded, but with reservation.

Mr. CROLL: If for the moment we can forget about the 4, then we have 32 countries which have ratified the convention and which are in agreement with us. That, in itself, it seems to me, is considerable progress, to have 32 more than we had 4 or 5 years ago. This was in 1949, was it not?

Mr. LESAGE: It was adopted in 1948 at the United Nations, but it was signed by Canada at the end of 1949.

Mr. CROLL: If we now see fit not to ratify, we are not in any way accusing the communist countries of taking any other course, and if we cannot make a bargain with the communist countries, at least we can make a bargain with these other 36 countries and that it seems to me is a worth while objective; it is regrettable, of course, that the communists have taken the usual course that they take in these things, but we have had to face it on other issues, just as we have to face it here.

Mr. BENNETT: How many of the 32 objected to the reservation?

Mr. LESAGE: As I said, there was some objection to the reservations, at first, but that was before the advisory opinion of the International Court of Justice. Since the advisory opinion has been given, as I explained, there is no point in objecting.

Mr. BENNETT: Is the United States going to ratify it?

Mr. LESAGE: I do not know but it has been before their congress.

The CHAIRMAN: Now, Mr. Low.

Mr. LOW: I could not see in the two lists the names of either Great Britain or South Africa. What have they done about this?

Mr. LESAGE: They have done nothing. The United Kingdom has not signed.

Mr. LOW: And what about the Union of South Africa?

Mr. LESAGE: No.

Mr. RICHARD: Mr. Croll said it would be a good thing. I am not very experienced in these matters, but I like to make the same kind of a contract with the person who has the same kind of contract with me; I think it would be a good idea for 32 countries to sign a contract among themselves without reservation; that would make 32 people bound together and we do not need to have the other 4 people join in. In principle, of course, we all admit the principle, but in such a new thing, I am not admitting that genocide is a crime. The important thing is that it goes before a court and that it is punishable. Well, let us go forward and agree with these 32 countries. Consider Korea, for example. There we could be accused of genocide by the Chinese communists if they were members of this convention with reservation; and immediately we set up a court there would be a great deal of publicity lasting over many years because the people within that country would see to it that all of the evidence was brought out to show that it was not genocide and the communists would say that it was genocide; if we accuse the Chinese communists of genocide, they would immediately decide that there was no genocide, so I think there was a good reason to bring it before the International Court of Justice.

Mr. LESAGE: Let me again read the reservation, because I cannot agree with Mr. Richard.

Mr. RICHARD: What about the first part?

Mr. LESAGE: I cannot agree that we could be brow-beaten by a communist country that has signed the convention with reservations; I cannot agree; but I will read the last part of the reservation. You will remember that I stressed the words "all parties" when I read it before.

The Soviet Union

And the reservation is the same

will maintain the position that in each article of the agreement that all parties to the dispute

That is the answer.

Mr. RICHARD: What is wrong with it, if they accused us of genocide in Korea all parties would agree to go before the International Court of Justice.

Mr. LESAGE: They cannot force us because they have said themselves that any party to be brought before the International Court of Justice has first to agree.

Mr. RILEY: Korea could not.

Mr. LESAGE: We would not refuse, but we are not forced to do so according to their reservation.

Mr. COLDWELL: We have made no reservation.

Mr. LESAGE: We did not have to, because their reservation prevents them from citing us in a compulsory way before the International Court of Justice for not punishing the crime of genocide. I understood Mr. Richard to say that the obligations would not be reciprocal.

Mr. RICHARD: They would not be.

Mr. LESAGE: Yes, they are reciprocal; the obligations are reciprocal; but the language of the soviet reservation and the reservation of the other communists, states in identical terms that the situation you mention could not arise. It reads:

The Soviet Union does not consider as binding upon itself the provisions of article IX . . . and declares that as regards the International Court's jurisdiction, . . . the Soviet Union will . . . maintain the position that in each particular case the agreement of all parties . . .

Mr. RICHARD: That is right.

Mr. LESAGE: "To the dispute is essential for the submission of any particular dispute to the International Court for decision."

If we should tacitly accept the soviet reservation by not entering a formal objection to it, there would be no anxiety that there will be any lack of mutual obligation and reciprocity in regard to the court's jurisdiction. In all their reservations they take away from themselves the right of citing us in a compulsory way before the International Court of Justice. So I say the obligations are reciprocal.

Mr. RICHARD: Of course, I said that; let me proceed. I say this: that if we were accused of genocide in Korea, they could not force us before the International Court of Justice but we would not refuse, because we were senior parties to the agreement and, as senior parties, we would go. So I say that because we as a country have honoured all our obligations, we would be the first to recognize the International Court of Justice.

Mr. LESAGE: I agree.

Mr. RICHARD: Now, in the other case it would be new. If they were accused of genocide, they could say that because it is new, we won't go before the International Court of Justice.

Mr. CROLL: Who, John?

Mr. RICHARD: I am stating a hypothetical case.

Mr. CROLL: You took Korea, and Korea has both signed and ratified. Korea could call us before the International Court of Justice and all we have got appears under section 9; we could not have any choice about it, assuming that we make no reservation and Korea has made no reservation.

The CHAIRMAN: Order, please.

Mr. JUTRAS: Which Korea signed it?

Mr. MACDOUGALL: Would it be possible for us to join these 32 as being opposed to genocide without all this verbal rigmarole with respect to the Court of International Justice which, in my opinion, and certainly in the opinion of the ordinary man in the street, is just a lot of gingerbread.

Mr. LESAGE: Mr. MacDougall, I am very sorry, but it is a United Nations convention, either we ratify it or we do not.

Mr. MURRAY: May I make an observation, Mr. Chairman?

Mr. LESAGE: And if we ratify it we are bound by the convention even if we ratify with an objection to the reservations made by the parties who made reservations. That won't change one iota our obligations on the one hand vis-a-vis the 32 countries who have ratified without reservations and vis-a-vis the four countries who have ratified with reservations.

Mr. MURRAY: Mr. Chairman, may I point out that since this document was written—and no doubt some very able jurist or a number of them have written this document—that two important things have taken place in the world. There are two new empires which have emerged, with which we now have to deal. It says here that China is a signatory to this document—

Mr. LESAGE: Nationalist China.

Mr. MURRAY: That is a small portion of China now, a section of the Chinese who have been driven from their historic land, so China is not a signatory.

Mr. LESAGE: It is not a member of the United Nations.

Mr. MURRAY: But China is a great empire, and China is active today and is playing an important part. And in the last few days a new empire has revived in the form of the empire of Japan, and they are not signatories to this. Now, I regard Korea as really a very small appendage of the ancient empire of China, small as is also Formosa, and I think we are going to deal with those two great groups of people which will likely occupy the international stage for very, very many years to come. I think we must deal with them before finally dealing with this document.

Mr. LESAGE: But, Mr. Murray, I am not sure that you follow exactly the history—

Mr. MURRAY: All right, I visualize then that we have adopted, that we have committed ourselves to this document and we are then being charged with this crime of genocide. The locale of the crime is somewhere within the Chinese domain and we are taken for trial to the ancient courts of Peking to be tried under the laws of that land—that is what it says here, to be tried under the laws of the country in which the crime is committed. Knowing the record of China and the gentle way in which they treat their enemies, I can imagine the sort of trial which would occur there if any white nation were brought in to their courts from any part of the world.

Mr. LESAGE: Do you really think they need this convention to do the thing that you mention? Do you think if they wanted to have an unfair trial they would have to rely on this to have such a trial?

Mr. MURRAY: Well, they are signatories to it, and those people and their ramifications comprise a great portion of the population of that part of the world. Suppose that they did all join up in a group of well-meaning people. I see a difficulty there. I do not say that I am either for or opposed, I rather favour the idea, certainly, of international law and the United Nations and the work which they are doing. I think we should be very careful. I think the situation which has developed in Japan in the last few days is one of the major threats of the world—the preservation of the safety of the world; the rearmament of that mighty empire of 80 millions of people.

Mr. LESAGE: Yes, but I do not see, Mr. Murray, how this could effect our ratification, the ratification by Canada of the convention on genocide.

Mr. MURRAY: I am aware that everybody would have to agree to it or it would not work.

Mr. LESAGE: That is the way it is worded. An international treaty or convention, especially under the United Nations is signed by the parties who have worked on it, and all the parties who are members of the United Nations who desire to sign this—

Mr. MURRAY: I know, but—

Mr. LESAGE: If you will let me follow all the steps involved—and then the parties who have signed cannot, according to present international law, be bound by the treaty until they have ratified it. The other countries who have not signed can accede to the convention. And you can see on the list which has been distributed, in the right hand column, the non-member countries who have not signed but who have acceded to the convention. They are marked with an oblique stroke.

Mr. MURRAY: I do not pretend to presume to be an international authority.

Mr. LESAGE: May I continue my explanation?

The CHAIRMAN: Order, order.

Mr. MURRAY: But as a Canadian of many generations standing I know there is something going on in the world which is more important than is the writing of this or any other documents or treaties; and that is a code of morals, as between individuals and as between nations, which we must observe or we will all wind up in a chaos, and as I say, it is a most amazing thing that these two instruments should have been developed in the last few months which change the whole aspect of international affairs, particularly on the Pacific and we are facing things on the Pacific every day which at any time may burst out into violent explosion.

Mr. LESAGE: But the important thing is that the ratifications are given one by one, and my opinion is that the greater the number of countries who ratify the easier it will be for the other countries either to ratify or accede to the convention. So it is to our interest if we want the widest possible application of this convention, the widest possible ratification of this convention to ratify it ourselves.

The CHAIRMAN: For the first time since I have been chairman of the committee I have to refer to a list. On my list I have names of the following order: Mr. Riley, first; then Mr. Stick, and then Mr. Crestohl I believe wants to make a statement; and then Mr. Croll.

Mr. RILEY: Mr. Chairman, I only want to say that I think that Mr. Croll has made the most sensible statement we have heard here today, apart from the explanation by Mr. Lesage; and that is that even if this convention does nothing more than establish through its signatories that genocide is a crime, a punishable crime, the fact that the actual signatories have agreed to punish it as a crime, is one further step in the progress of mankind, if all the other countries recognize or accede to it. At least it is another major step because a few years ago there were some countries in the world which were not recognizing genocide as a crime.

The CHAIRMAN: Mr. Stick:

Mr. STICK: Mr. Chairman, I agree with Mr. Riley and Mr. Croll that genocide is a crime the same as murder is a crime; but I am concerned in ratifying this treaty just what kind of position we are placing ourselves in. I am not quite sure yet just what our position is going to be. As I see it, and I may be wrong, in signing this we are binding ourselves to nothing—in plain language that is what Mr. Lesage has said.

Mr. LESAGE: No.

Mr. STICK: I will put it this way. We are not binding ourselves, legally, to anything in ratifying—

Mr. LESAGE: Oh, yes, we are.

Mr. STICK: We are binding ourselves, from a moral standpoint, against genocide. Now if, for instance as Mr. Richard has said, countries behind the Iron Curtain charged us with genocide for propaganda purposes or anything else, we do not have to agree to appear before the international court as I understand it unless the two parties are agreeable to it; but we have, by signing this recognized the crime of genocide and we take upon ourselves an obligation to that effect and we cannot refuse to go before that court—or we will condemn ourselves.

Russia takes the position she does not have to go and she is losing nothing. My opinion is, and I may be wrong, that if Russia signs it with this reservation and we sign it without a reservation it is placing ourselves in a position inferior to that of Russia. She can charge us—as she has charged us in Korea with biological warfare. I am not satisfied to place Canada in that position—a position whereby we can be charged but Russia cannot be charged in the same way.

That reservation by Russia is a mighty deep one and it could have very far-reaching repercussions.

Now, I am against genocide and I am in favour of the convention, but I am not prepared to place Canada in a position inferior to that of other countries. You will find in the course of time that it is just the position in which we are placing ourselves—as I see it now.

Mr. LESAGE: Mr. Chairman, if you will allow me I will try to be as clear as I can.

Canada is bound, under article IX, when it ratifies the convention, to the 32 other countries which have signed without reservation. So, as far as Canada is concerned at least, there will be 33 countries in the world including Canada which will have accepted the principle of punishing the crime of genocide in their own countries. That is the first thing. Secondly, we will have accepted it that the International Court of Justice may hear complaints by other states—the other 32 states only who have ratified without reservations—to the effect that in Canada genocide is not punished.

There is a clear distinction to be made. The International Court of Justice cannot find Canada or any state guilty of the crime of genocide. The crime of genocide according to this convention is recognized as a crime by each country who has ratified—including those who have made reservations; but each country which has ratified, including those who have made reservations, has taken on the obligation to punish the crime in the courts of the country. Those are the obligations.

Mr. Low: Would you not add a qualification—provided they implement article V by passing through their parliaments a law prescribing the crime—

Mr. LESAGE: Yes, that could be a ground. One of the grounds of complaint to the International Court of Justice could be that the laws prohibiting genocide in a country have not been passed, or that the law in the country does not provide for the crime of genocide. Our Criminal Code is sufficient now, as we will see later.

The second thing is that genocide is not punishable under the International Court of Justice which can merely make a declaratory judgment—I do not just know where the accent falls in that word but you know what I mean—the International Court of Justice may make a declaratory judgment saying that such a country is not observing the terms of the convention as ratified. That is as far as the International Court of Justice can go.

Now, that is what can happen between the 32—and when Canada has ratified it between the 33—countries who will have ratified without reservation.

Now, the legal relations between a country who has ratified without reservation and a country who has ratified with a reservation to article IX are the following. They are in law completely reciprocal and the country which has ratified without reservation cannot be forced by the country which has reservations to come before the Court of International Justice.

You say that in effect we can be brought before the International Court of Justice supposedly by Bulgaria or Czechoslovakia by ratifying without reservation?

Mr. STICK: Yes.

Mr. LESAGE: My answer is this, that these countries up to now in fact have always refused to settle their international disputes before the International Court of Justice and they have refused when they were accused and they have never used it when they were complainants because up to now in fact they have not recognized the International Court of Justice.

Mr. STICK: They might use it.

Mr. LESAGE: They could use it, yes.

Mr. STICK: What is our position if they do use it? That is what I am trying to get at.

Mr. LESAGE: You say they could use it, which means they would have the right to use it, but we are not obligated. You are shifting from rights to facts and I have given rights first and I am taking the facts now and I say that in fact they have never gone before the International Court of Justice and I am sure they won't go before the International Court of Justice on a complaint that Canada has not punished a crime of genocide inside its own borders.

Mr. STICK: I would like to believe that but I am not too sure.

Mr. LESAGE: Well, that is a chance we have to take anyway and, of course, even if we were brought before the International Court of Justice I am sure that there is no member of the Canadian parliament who would advise the Canadian government to refuse to go because we have nothing to hide.

Mr. STICK: That is exactly the point that I made, Mr. Chairman. We are placing ourselves in a position where we can be charged and we cannot refuse to come before that court.

Mr. LESAGE: Mr. Stick, you are mixing again the rights with the facts. You say we cannot refuse and I say we can refuse in law but we will not in fact and moreover in fact they would not bring us.

Mr. STICK: I am not quoting law, I am quoting facts now.

Mr. CRESTOHL: Mr. Chairman, I would like first of all to thank you for the opportunity of attending this session on genocide, which is of great interest, and also for the privilege of being able to make some observations.

As I see the situation at the present moment, the convention as it is cannot be amended by us. It is a convention of the United Nations. All we are asked in Canada to do is to ratify it because under section V our previous signing does not become binding until parliament approves it and so we are merely asked to declare ourselves as supporting the creation of this instrument and the declaration that genocide is a crime.

Either Canada takes the position that we declare that genocide is a crime as the United Nations has defined it or we do not. I think that is all our obligation at the present time calls for and I am of the opinion, Mr. Chairman, that certainly Canada should have no hesitation whatsoever because Canada today has assumed a position of leadership in the United Nations and certainly on the moral plane and it is quite possible that because there are some twenty-six nations yet who have not signed, I would not be surprised that in their deliberations they would say, like we have said here tonight, "Why has not Great Britain signed?", "Why has not South Africa signed?" and they are moreover all saying "Why has not Canada signed?". Canada does hold a position, a high position of moral leadership in the United States and may be an instrument for retarding other nations who would follow suit very rapidly if Canada signed.

I think that is the position of the Canadian parliament today. We are invited to approve the fact that genocide is a crime. I was wondering, Mr. Chairman, whether those representatives of ours on the United Nations have given any thought to what Mr. Coldwell started to say—I do not think he quite concluded.

When the crime of genocide is being committed, are there any steps that can be taken to arrest the commission of the crime of genocide, or must we, first of all, wait until we cite this nation—which is perfectly bound, let us assume, by this convention—before the International Court of Justice? It might take a matter of a year or two, and certainly a matter of three or four months, or at least two months from the time the crime has been committed and the job done.

You will recall that at the time Mussolini was occupying Ethiopia, the world at that time held out certain sanctions to Mussolini, and I was wondering

if Mr. Lesage or our representatives at the United States could say if has there been any consideration given by the United Nations to a proclamation by a decision of the United Nations to a country, let us say, Iran, or Iraq, or let us say, Greece. If they should be over-run by the Soviets, they will go into Greece and seek revenge and proceed to slaughter thousands of people. Is there any machinery by which the United Nations can say to an offender of that kind; "Now you stop, or else we will impose sanctions."

To me that is vital, because what we are doing here is theorizing; and I want to know if there was anything further done with respect to arresting the crime or commission of the crime.

Mr. LESAGE: May I answer your question now?

Mr. CRESTOHL: Just one more thing, Mr. Chairman, and then Mr. Lesage may give his answer. Consider our own country for example. What would be the machinery in Canada for punishing someone in Canada who commits this crime in some form or another? Can we find any article in our Criminal Code which gives a definition of genocide? Of course our code has the offence of murder, yes, but since we are using a new term, genocide, I think it becomes necessary that if this committee will recommend the sanction of this act, then we certainly should provide for some definition in our code for the offence of genocide, since it will be tried and punished in this country. And then the question too is, will our courts here in Canada be sitting as Courts of Law, with Canadian jurisdiction, or will they sit as instruments of the United Nations, because they will be dealing with an offence which is set up by the United Nations? I suggest, Mr. Chairman, that the question of ratification is a formal one, and I think we should make it complete by a consideration of these additional features. I see, also, under article IV that the heads of states, responsible rulers, public officials, and private individuals can be tried for the commission of the crime of genocide. Can these people be tried in Canada if they are diplomats or if they are officials of another country? Can they be tried here or must they be sent back?

Mr. LESAGE: May I stop you, Mr. Crestohl. You are getting into a detailed study of the articles in raising your second point as well as all the ancillary points which you raised. May I ask you to wait until we get to each article so that we may have a more orderly discussion, and in that way stick, as the chairman has proposed, to the larger aspects of the convention? I have answers to most of the questions which you have just asked concerning detailed articles. Therefore I would appreciate it if we could suspend the answers to those questions until we get to a study of each article, because it would be difficult to keep an orderly discussion otherwise. May I deal with your first question. As an example, you asked if there was any machinery provided in the United Nations for immediately stopping the slaughtering of a whole race and you gave us an example the invasion of Greece by another country. Well, in that example, of course, if it is in another country, and if there is an attack by one country against another, immediately there is aggression, and that, then, goes to the Security Council.

Mr. CRESTOHL: Take the position in Iraq, where the government of Iraq, for example, makes a move to dispose of some 90,000 or 100,000 Jews, and under the definition of genocide, under article III, they are committing the crime of genocide.

Mr. LESAGE: Yes, but then the peace of the world will surely be endangered and the Security Council will have to deal with the matter immediately. You know what Israel will do. Of course the security of the world will immediately be in danger. You see, I cannot find, I cannot imagine any example of such an immediate case of slaughtering a whole race or a whole group which would not endanger the security of the whole world, and then it would go to the Security Council.

Mr. CROLL: Mr. Chairman, may I just make this observation. I think that I am positive in saying that everyone here at the table is opposed to the crime of genocide. What is bothering a great number of us, myself as well as everybody else, is that this is the usual way that Russia has it both ways, their way and the other way, they play both sides. But how much happier would we be if Russia and her satellites had signed, because whether they sign or do not sign I do not trust them, and it does not make much difference. We do make good bargains with some people and the bargains are kept, and with those people we do like to make bargains. Now, I can not personally conceive any circumstances where any nation would charge us before the International Court of Justice and we would refuse to appear. I cannot possibly conceive it, no matter how unjust or unfair it would be. We would always appear before the court. We are an open book. We are there all the time. If anybody thinks we have done wrong, let them charge us and we will appear and make our defence, and I am positive as a country we can prove our innocence. So, it seems to me that there are details here that are troublesome, but on the other hand we are concerned with the principle, and what is more important, we will be breaking new ground, and the people who will be sitting here—and I presume all of us will be here ten years from now—will find the code will be perhaps modified, perhaps improved, perhaps changed in some respects to the point where it will start working, but it will take time and it will take practice; but this is a good start, and in my opinion we ought to endorse it.

The CHAIRMAN: Mr. Decore has the floor. I think the time has now come to get down to the different articles. We have had a fine general discussion, somewhat heated at times, but I believe it was good.

Mr. DECORE: I agree with what Mr. Crestohl said and with what Mr. Croll said, that by ratifying this convention, we will declare ourselves against the crime of genocide, which is about all we can do, but I agree with you, and the thing that bothers me is this—this convention, I think, is very effective, and most of the countries will ratify this convention without reservations. There are countries on your list which will effectively support this convention which defines this crime of genocide. But I know that there are many countries behind the iron curtain in which the practice of genocide is being carried on right at this very moment. Now, the question is how can you bring this convention into operation so as to arrest the crime and totally banish the countries practicing genocide at the present time?

Mr. CHURCHILL: Mr. Chairman, I would like to ask one question. I am very thankful for the fine explanation which has been given by Mr. Lesage. It has cleared up a number of points. But I have one or two questions. I take it that there is no great significance attached to the mere signing of this convention, that the significance of course, is in the ratifying or acceding, is that right?

Mr. LESAGE: That is right,—well, not the signing. There is always significance in the signing of international convention. I believe that Mr. Brown could give you the distinction between signing and ratifying and tell you exactly what it is in international law.

Mr. ERICHSEN-BROWN: The state incurs a contractual obligation—

The CHAIRMAN: A little louder, please.

Mr. ERICHSEN-BROWN: The state incurs a contractual obligation to other states by ratifying or acceding. If it breaches that obligation it violates international law. When you come to the question of remedy if the parties have consented to the jurisdiction of a court there may be a limited right to enforce a contractual obligation, but by and large I would say that the obligations which exist in international law are settled in the final analysis at the bar of world opinion, and that how effectively contractual obligations are carried out depends in the last analysis upon the willingness of the states to abide by the rules; and

that is another way of saying that international law depends essentially upon the consent of states. I might add that any such international enforcement as there now is also depends on the consent of states.

Mr. LESAGE: May I add a word, Mr. Chairman this ratification is necessary because a person who signs a convention for a given government—for instance the Canadian government—has been authorized by his government but not by parliament. That is a distinction in democratic government legislation. It is a convention of a law making character you see, so it has to be approved by parliament.

Mr. JUTRAS: Well, is this not subject to ratification?

Mr. LESAGE: Yes, it is subject to ratification.

Mr. JUTRAS: And it has no real significance until it is ratified.

Mr. LESAGE: We do not incur any obligation until we have ratified.

Mr. ERICHSEN-BROWN: The significance of an act of signature on behalf of a state is merely to indicate that the state has accepted the text as the authentic text that was agreed upon at the drafting stage, in all cases when the convention contains a clause providing for subsequent ratification. The original signature has no greater effect than that.

Mr. CHURCHILL: In other words you can make no changes nor can you amend it.

Mr. LESAGE: If you want to make any amendment you have to make reservations.

The CHAIRMAN: Mr. Churchill has the floor.

Mr. CHURCHILL: Then on the list there are indicated the countries who have ratified, who have signed their consent to the treaty, and those who have acceded with reservations.

Mr. LESAGE: That is right.

Mr. CHURCHILL: Then the question is concerning the main purpose of this convention. Is it not a fact that the convention as we have it before us is a compromise document which is much less effective—or, I should not say it is much less effective—is more limited in purpose and intent than the original idea? When this was first advanced in the United Nations, as I understand it the purpose was to make the crime of genocide applicable in time of peace as it has been considered to be a crime in time of war—that is it has been recognized as a war crime but not until this time has it been recognized as a crime that can be committed in time of peace and that can be dealt with in time of peace. In its origin, when they were first discussing this, the hope was that nations and not individuals would be held responsible for the crime of genocide. Is that correct?

Mr. ERICHSEN-BROWN: I think there is a certain amount of truth in that. There has been throughout the debates considerable disagreement as to whether the state had to be ultimately accountable or whether you should have to get at the individuals. The convention as presently drafted makes individuals punishable and, if you look at article IV, it refers to certain types of individuals but it does not contain a specific provision making a state as such responsible.

Mr. CHURCHILL: Then another question. Is it not generally understood that genocide can normally only be carried out by the action or consent of the government? That is, you cannot conceive of genocide as the act of an individual.

Mr. Low: That is what this says.

Mr. LESAGE: It could be a group of individuals.

Mr. CHURCHILL: The point comes to this—that this Genocide Convention is dealing with individuals within the national jurisdiction and really has no great effect on government in the international sense.

Mr. ERICHSEN-BROWN: There is a considerable danger that persons who are guilty of genocide would turn out in fact to be persons in a position of authority and control, and consequently in a position to prevent their own surrender or prevent their own trial. I think that is an undeniable truth.

Mr. CHURCHILL: It would be very difficult within the state to hold them responsible and try them?

Mr. ERICHSEN-BROWN: I would say that one advantage of having genocide established as an international crime is that the law always speaks. You have something which exists. Conditions may change and circumstances may arise when, either by revolution or change of government or possibly following a war, this existing law can be applied—

Mr. STICK: You mean accepted by that state?

Mr. ERICHSEN-BROWN: —and then you are applying a law which has received international recognition. You are not in the invidious position that somebody is going to say you are trying these people and your action is merely symptomatic of a victor's vengeance. That, to my mind, is the value of having the crime established in international law.

Mr. CHURCHILL: Has the crime not been established in international law by the action up to this point of the United Nations? The United Nations has declared genocide committed in peacetime to be a crime.

Mr. ERICHSEN-BROWN: I would answer that question "yes" at the present time, but in the last analysis it is a question of opinion.

When you look at sources of international law they are very varied and possibly the most frequently pointed to sources are the conventions themselves. In the case of the communist states they very frequently refuse to acknowledge any rules of international law unless they have signed on the dotted line—which they do not very frequently do.

At the other end you have states such as the United Kingdom which have a tradition respecting decisions of the courts and we place a particular value on decisions of the international courts. We would accept a judgment of the court in itself to be law. Some states won't go so far even as to admit that a judgment of the International Court of Justice is in fact international law. Consequently, to come back to your question, it is really a question of opinion, but I would say that genocide is probably already established as a rule of international law by a number of different circumstances. The offence of crimes against humanity, which was recognized by the Nuremburg judgment, although it was limited to war time, as you stated, has received international recognition and the fact that it was mentioned in the judgment of the tribunal gave it a certain effect. Then, the subsequent action taken by the United Nations itself, the fact that that body adopted the convention unanimously I think tended to contribute to the force of the genocide convention as a rule of law.

But the value of having that ratified by states is that not all states are agreed on the point that it is a rule of international law which has emerged and consequently the wider the acceptance of the Genocide Convention the stronger the rule of international law will become.

Mr. RICHARD: Mr. Erichsen-Brown, this ratification of this convention would be a re-statement of a principle of law which Canada has already approved?

Mr. LESAGE: It is in our statutes.

Mr. RICHARD: It is in our conventions and in our law, so I would not say that we are recommending for the first time that genocide is a crime. It is a re-statement of the fact that genocide is a crime. We are binding others to admit it, but it is not the first time that Canada has admitted that genocide is a crime.

Mr. LESAGE: Surely not.

Mr. RICHARD: Well, the way it is stated in this committee it would almost seem as if it was for the first time that genocide was a crime.

Mr. LESAGE: I hope that nothing I said brought you to think that I was saying that Canada has only thought that genocide was a crime now for the first time.

Mr. GRAYDON: This is more than just a declaration of genocide as a crime.

Mr. LESAGE: Yes, of course it is more.

Mr. MURRAY: I was merely asking if there were any penalties? There are no penalties outlined.

Mr. LESAGE: The crime has to be punished by the national court, according to national laws which the countries who ratify will pass according to whether their statutes already provide for the punishment.

Mr. MURRAY: I think that is rather a weakness because there are no teeth in it at all and it lacks finality there.

Mr. LESAGE: There is no international penal tribunal.

Mr. MURRAY: You are going to find a man guilty and there is no punishment for him.

Mr. JUTRAS: I just want to ask you if there are any countries that did not sign the agreement because of the reservations of these U.S.S.R. countries?

Mr. ERICHSEN-BROWN: I am not sure that I am prepared to answer that question. I would say the greater number of the states whose names appear on the right-hand column had already become parties when the reservations were submitted. Even in the case of the reservations of those which appear in the left-hand column, they were made rather late. A few minutes ago there was a question asked as to what states had objected and I have that information here if it is of interest to the committee.

I would like to say that I think the position is that when the first objections were raised they were widely publicized. Their effect was immediately considered by all member states in the United Nations and the great majority of states adopted the attitude, "Well, we will wait and see what will develop"; in other words, the objections having been put in it did not become immediately necessary for every other state to file an objection, particularly as the practice had developed along the lines that an objection generally accompanied an act which the objecting state was itself performing such as the deposit of its own instrument of ratification or accession. That was the time by which states would be obliged to make their objection and states obviously wanted to wait and see what the position was. Actually according to the official documents that were before the court, there were apparently only four objections. They were from two South American states and I can say that those states based their objection on a special rule on reservations to multilateral conventions which the organization of American States—the former Pan-American union—had adopted for itself. I would prefer not to explain that. I would prefer not to have it pressed. It is quite a technical legal point.

There was an objection by Australia, and you will note that it appears in the list in the right hand column; Australia was a state which had both signed and ratified. Then there was objection by the United Kingdom does not appear on either list; and one of the problems which arose was the question of the right to object by a state which had the right to accede but which had taken no steps to accede. That is a rather technical point. Those objections, between them, brought out all the legal issues, and the other states simply sat in and waited for a decision to be handed down.

Mr. MURRAY: (*Cariboo*): What about Spain and Portugal?

The CHAIRMAN: They did not belong.

Mr. JUTRAS: I shall ask one further question, Mr. Chairman, and the witness may answer it or not as he sees fit. Are there any states which felt that it would have been better to have the convention without the U.S.S.R. countries rather than to have them in with the reservation? The reason I ask that, speaking personally at the moment, is because I feel in my mind that one of the reasons the U.S.S.R. joined the United Nations was purely for propaganda purposes, and I recall that they joined many of these conventions, I think, for the same reason.

Now in this particular instance it does place them in a favoured position from that point of view. I can concede Mr. Lesage's point, but I do not say that it over-rides the better side of the agreement. But still it is a point; and we can visualize, for instance, that once this is all signed by those countries and ratified by the United States, I imagine that on the first occasion at the United Nations the U.S.S.R. will get up and charge the United States with genocide on account of the colour problem, particularly. They have charged that against the United States on previous occasions, and they will hail them before the International Court of Justice and there may be a wonderful opportunity by Russia to keep it going quite a while and to put out a lot of propaganda on that point. I am just wondering if the agreement or the convention would not have been better without them, rather than to have them with this reservation.

Mr. LESAGE: It is a United Nations convention.

Mr. ERICHSEN-BROWN: I think the difficulty is that when the convention was opened for signature by the United Nations the right to make reservation had not yet been clarified and the communist states had already come in and claimed the right to reserve parties subject to reservations.

Mr. JUTRAS: Have a great many others already signed?

Mr. ERICHSEN-BROWN: Yes; and in view of the differences of opinion arising out of the judgment of the court it is pretty hard to take any action now which would have the effect of making them not parties to the convention.

Mr. RICHARD: The U.S.S.R. has accepted the judgment of the International Court.

Mr. ERICHSEN-BROWN: There is one observation I would like to make. This article IX enables the court to make a declaratory judgment only.

Mr. JUTRAS: You mean the International Court?

Mr. ERICHSEN-BROWN: Yes, I mean the International Court. In other words, the court can pass on any question of the interpretation of the convention which might arise, or concerning, I think, the—I think the word implementation is in the article, if I recall it—and that means essentially that it could give an opinion which would be before the world and which would influence world opinion as to whether the contracting state was or was not carrying out its obligations. If one state wants to charge another state with having committed the crime of genocide, it will go right ahead and charge them anyhow, regardless of whether they have a convention or whether they are parties to it or not. Therefore the value of a declaratory judgment is simply to increase or solidify world opinion against a state which the court might find, to have failed to take appropriate action against individuals whom the court might believe to be have committed acts of genocide.

Mr. CRESTOHL: May I ask another question?

Mr. STICK: Mr. Chairman, I think this is a very important matter and I think we are all in agreement about the crime of genocide, but I do not think we have time to go through this convention article by article tonight,

and I move the adjournment right now, so as to give us time to digest the evidence given here tonight and so that we will have a clear picture of these articles when we are discussing them at our next meeting. Can you have the evidence printed before our next meeting?

The CHAIRMAN: We cannot have the evidence printed this week, but if we can carry on it will be of advantage. A lot of explanation has been given tonight. I would like to have another meeting tomorrow morning if we could.

Mr. Low: It certainly will be very useful, Mr. Chairman, to have a chance to read over carefully and study the statement given by Mr. Lesage tonight. That statement is quite difficult to digest in the short time we have listened to it.

Mr. STICK: The reason I moved adjournment is I am not prepared to ratify this now. I am in favour of the convention and I want to ratify it, but I want to satisfy myself in my own mind that I am doing the right thing. I would like to have an opportunity to digest what Mr. Lesage has said. I have his assurance to me that we are not placing ourselves in an inferior position to Russia, and I take that, but I am not convinced, and I want to be convinced that this is the right thing, that Canada is not placing herself in an inferior position to Russia, and as soon as I am decided on that I am prepared to ratify, but if you ask me for a vote tonight I will abstain from voting, even though I am very much in favour. That is the reason I am asking for an adjournment until tomorrow at least.

Mr. LESAGE: May I point out, Mr. Stick, that Russia has not ratified this convention.

Mr. QUELCH: How many nations have ratified?

Mr. LESAGE: You have the list. 36 countries have either ratified or acceded the convention.

Mr. Low: I thought a motion for adjournment was not debatable.

Mr. DECORE: Before you put the motion, Mr. Chairman, was there not some suggestion that we were going to hear Dr. Kirkconnell of Acadia University, on this subject?

The CHAIRMAN: I mentioned earlier, Mr. Decore, that I contacted Dr. Kirkconnell but he will only be available early in June, so the committee has decided it will then be too late to call him.

Gentlemen, we will meet tomorrow morning at 10 o'clock to further discuss this convention.

Agreed.

EVIDENCE

May 9, 1952
10.00 a.m.

The CHAIRMAN: Gentlemen, we now have a quorum, so we will proceed. Mimeographed copies of the statement by Mr. Lesage last night will now be distributed to each of the members. It is quite an accomplishment to have that mimeographed so soon, and it is due to the work of our secretary that we are able to have it now. As you know, we adjourned late last night, and all the staff had left and it was only at nine o'clock this morning that work could be started on it. I believe the order of business now will be to proceed as we were proceeding last night, questioning, and I will request, if possible, that only one member at a time speak and speak fairly loudly so that our reporters will have no trouble in recording what is being said.

Mr. LESAGE: Mr. Chairman, I would like to know this morning if it is the wish of the committee to go on to a study of the convention article by article, or if it is the wish of the committee to go on with the general discussion and finish that general discussion before we go on article by article. I understood Mr. Stick last night, and other members, expressed the wish that we suspend the general study of the convention until they had an opportunity to examine copies of the statement I made yesterday, and to think over the implications of the ratification of that convention. Am I right?

Mr. Stick: Mr. Chairman, I thought last night that we were getting into things that we did not quite thoroughly understand, and that statement prepared by Mr. Lesage was a very, very important one, and it was very well done. I thought that perhaps some of us would like to think it over a bit more. I thought a lot about it after I left here last night and I think that the ground has been fully covered in the general discussion. Now that we have had time to think of it, I am prepared to go on article by article, taking your article by article discussion with the statements you have made. We now have the statement in front of us and we can compare one with the other, and we will probably gain a better idea just what each article means. If it is in order, Mr. Chairman, I move we take up the discussion article by article.

The CHAIRMAN: I believe that is the proper way now. We had quite a discussion last night; it was a good one although sometimes quite heated.

Mr. RICHARD: La nuit porte conseil.

The CHAIRMAN: That is true.

We will start, then, by article I. Shall article I carry? You do not want me to read each article?

Some hon. MEMBERS: No.

ARTICLE I

The Contracting Parties confirm that genocide, whether committed in time of peace or in time of war, is a crime under international law which they undertake to prevent and to punish.

Mr. CHURCHILL: With regard to article I, it states there that genocide is a crime under international law which they—that is, the contracting powers, the

individual states—undertake to prevent and to punish. Now, that obviously indicates that it is simply under international jurisdiction. What would Canada be obliged to do to fulfil those two undertakings, to prevent and to punish?

Mr. LESAGE: Might I at this point read the opinion of the Deputy Minister of Justice on this subject; it will be useful in the study of practically all the articles of the convention. This is a letter dated Ottawa, June 3, 1949, re: "Convention on the prevention and punishment of the crime of genocide":

Dear SIR:

You have asked for my opinion as to the nature of the legislation, if any, that may be required to implement the Convention on the Prevention and Punishment of the Crime of Genocide to which Canada will, I understand, shortly become a signatory and, if required, whether by a general act or by amendments to the Criminal Code. You also asked for a confirmation of your assumption that no legislation on the part of the provinces would be required to implement the Convention.

Dealing with your last query first, in my view, the provinces are not required to introduce legislation to implement the provisions of a Convention which relates in its entirety to criminal law.

I am further of the opinion that no legislation is required by Canada, at this time, to implement this Convention. In this connection, I would direct your attention to the wording of Article V of the Convention. I do not think any legislation is "necessary", inasmuch as I cannot conceive of any act of commission or omission occurring in Canada as falling within the definition of the crime of genocide contained in Article II of the Convention, that would not be covered by the relevant section in the Criminal Code.

Yours truly,

Signed: F. P. VARCOE,
Deputy Minister of Justice.

Mr. BENEDICKSON: What are the relevant sections of the Criminal Code?

Mr. LESAGE: Do you wish us to go into them now or wait till article II, and take them paragraph by paragraph? Mr. MacLeod, of the Department of Justice, is ready to answer the questions on that when we get to article II.

Mr. CHURCHILL: Mr. Chairman, that covers the question of the punishment, but what about the prevention?

Mr. ERICHSEN-BROWN: Perhaps I should leave this to Mr. MacLeod, but I am just going to observe, sir, that it is my impression that the Canadian authorities which are concerned with the administration of justice and prevention of crime generally in Canada would assume their normal functions. I do not know whether I have made that exactly clear. The word "prevention" is—I do not know what the implications of that word may be, but certainly I would assume that it was the normal function of the police and of our executive branches of government throughout Canada in connection with criminal law to see that crimes do not occur, and I would put genocide in the same category.

Mr. STICK: On the same principle that our police officers are peace officers as well as police officers.

Mr. ERICHSEN-BROWN: I think we would have to recognize that the possibility of genocide occurring in Canada is extremely remote. I cannot conceive of it.

Mr. CHURCHILL: You would be inclined to say that if the crime of genocide occurred at any time in Canada we would no longer be a democracy.

The CHAIRMAN: Shall article I carry?

Carried.

Article II. Shall article II carry?

ARTICLE II

In the present Convention, genocide means any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such:

- (a) Killing members of the group;
- (b) Causing serious bodily or mental harm to members of the group;
- (c) Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;
- (d) Imposing measures intended to prevent births within the group;
- (e) Forcibly transferring children of the group to another group.

Mr. QUELCH: What is the legal definition of "mental harm"?

Mr. LESAGE: Might I at this point, in view of the kind of question that Mr. Benidickson asked a few moments ago, suggest that Mr. MacLeod now make a statement on each one of these paragraphs (a), (b), (c), (d) and (e), and explain how every one of them is covered by the Criminal Code. Would that be agreeable?

Agreed.

Mr. A. J. MACLEOD (Senior Advisory Counsel, Department of Justice): I think, Mr. Chairman, if I am permitted I might make a few general background remarks that arise from the opinion given by the Deputy Minister of Justice with respect to the question whether any legislation is necessary within the meaning of article V of the convention. This convention is designed to prevent the destruction of national, ethnical, religious and racial groups in individual countries. This is to be accomplished by making it a crime to commit, in relation to any member of the group, any of the acts enumerated in paragraphs (a) to (e) of article II with intent to destroy the group in whole or in part. It is designed to protect group rights as compared with individual rights. All acts that are intended or designed to destroy the group must, of necessity, be intended or designed to destroy the individual members of the group, and I think that it follows that the group itself is protected to the extent that the members are protected, so to determine the extent to which the group as such is protected against the crime of genocide in Canada it is only necessary to determine the extent to which the individual member of the group is protected against acts that by this definition constitute genocide. The Criminal Code creates offences in precise terms and it is at least as great if not a greater safeguard than would be an enactment in general terms made for the purpose of implementing articles II and III of the convention. Legislation to implement those articles would presumably have to take the form that the article takes. That is to say, presumably, if it is considered necessary, you would create an offence saying that everyone who with intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such, kills a member of the group is guilty of the crime of genocide.

But penal statutes are construed strictly by the courts so that no cases are held to be reached by them except those that are within both the spirit and letter of the law. Where there is a reasonable interpretation that will result in acquittal, that interpretation is adopted by the courts. Where the words used are merely equally capable of an interpretation that would, and one that would not, result in conviction, the latter must prevail.

I suggest that if one attempted to enact legislation to give effect to this convention and to enact it in terms which could be given effect to by the courts, the results would be something very much like what has been referred to as the "relevant provisions of the Criminal Code."

If articles II and III were enacted as criminal law in the form in which they are set out in the convention, it would be necessary in order to obtain a conviction to prove in every case that the act in question was done "with intent to destroy in whole or in part, the group as such." This would obviously be very difficult to do in any particular case. The question of proving intent is always a very difficult one and this, it seems to me, is a particularly difficult form of intent to prove. I should say that to prove this intent with respect to any particular case, in respect to any one act in relation to any one individual, would be very difficult to do, but under the Code in similar circumstances, all that would be necessary to prove would be the doing of the act and, in some cases, "mens rea" or guilty mind, that is, not necessarily an intention to commit the very offence charged, but at least an intention to break the law or do a wrong.

Now, the various acts referred to in paragraphs (a) to (e) of article II should be looked at to determine to what extent those acts are offences under the Criminal Code:

(a) *Killing members of the group:*

Regard should be had generally to the homicide provisions of the Code starting at section 250. Homicide is the killing of a human being by another, directly or indirectly, by any means whatsoever. Culpable homicide is an offence. It consists in the killing of any person, either by an unlawful act or by an omission, without lawful excuse to perform or observe any legal duty or by both combined, or by causing a person by threats or fear of violence or by deception to do an act which causes that person's death or by wilfully frightening a child or sick person.

Now, I suggest that as far as paragraph (a) is concerned, it is covered by the provisions of the Criminal Code relating to homicide which would be murder and manslaughter.

Mr. CHURCHILL: Just one question before you go on. Hitler devised other means of killing off groups than simply murder and manslaughter—slow starvation and exposure. Are those included in that?

Mr. MACLEOD: Those would all be acts. It does not matter how you do it. If you produce the result with the intent to produce that result, it is murder, and it does not really require a blunt instrument or a knife.

Mr. STICK: We do not want to know whether a man dies of slow starvation. The intention of this is to try and prevent that.

Mr. MACLEOD: Well, that is covered by subsequent articles and other provisions of the Criminal Code. Should I go on now to (b)?

The CHAIRMAN: Yes.

Mr. MACLEOD:

(b) *Causing serious bodily or mental harm to members of the group:*

As far as "bodily harm" is concerned: these will fall within the class of criminal offences under the heading of "Assaults", commencing at section 290. By definition an assault is "the act of intentionally applying force to the person of another, directly or indirectly, or attempting or threatening, by any act or gesture, to apply force to the person of another, if the person making the threat has, or causes the other to believe, upon reasonable grounds, that he has present ability to effect his purpose, and in either case, without the consent of the other or with such consent, if it is obtained by fraud." The criminal offence under the heading of "bodily injury and acts and omissions causing danger to the person" commencing at section 273, are applicable.

There you will find wounding with intent to maim, wounding to enable the commission of an indictable offence, poisoning to injure life, poisoning with intent to injure or annoy, causing bodily harm by the use of explosives, using explosives with intent to harm, setting spring guns and traps and causing bodily injury by any unlawful act or by failing to perform a duty.

Mr. FRASER: Would that include gas bombs?

Mr. MACLEOD: I should think it would. But there you have a long list of offences set out in the Code and the offences that could be applied to the facts of any particular case and you do not in such a case have to fall back on general words that would give the courts a good deal of concern as far as trying to find out exactly what the intention of the legislature was.

Mr. RICHARD: I wonder if Mr. MacLeod would give us a note of the sections he is referring to?

Mr. MACLEOD: Yes, wounding with intent to maim is section 273. The other sections are 274, 276, 277, 278, 279, 280, 281 and 284.

We now come to this rather difficult question of causing mental harm to members of the group.

Mr. STICK: There is a twist to that one.

Mr. MACLEOD: I suggest it is difficult to imagine any form of conduct that might cause serious mental harm to an individual or to all the individuals in a group was not based on some form of physical interference, that is interference with the person of the individual or interference with the property of the individual. I have tried unsuccessfully for a day or two now to think of some hypothetical case where serious mental harm might in Canada be caused to the individual.

Mr. COLDWELL: May I suggest one to you? At the moment in Canada we have a group of people in British Columbia known as Doukhobors. Now, the Doukhobors have as a group no right to the franchise in British Columbia and yet only a part of that group is guilty of the offence which caused the province of British Columbia to deny them the right to vote.

I am thinking at the moment of some people I know particularly well. I can give you the case of a young man who was born into a Doukhobor family who today is a very prominent citizen in this country. He married the daughter of a United Empire loyalist family and yet the children of that individual living in British Columbia are unable to vote legally because they are the descendants of a Doukhobor.

Mr. BENEDICKSON: Is it not just about that in the statute? You are paraphrasing the statute?

Mr. COLDWELL: Yes, "descendants of a Doukhobor." Now, there are groups of people like that in British Columbia—

Mr. MURRAY: Have they made application to the registrar of voters for the usual forms and so on?

Mr. COLDWELL: Under the law they cannot.

Mr. MURRAY: But we want a case in point, not just a theoretical case.

Mr. COLDWELL: No, this is an actual case.

Mr. MURRAY: What are the ages of these children?

Mr. COLDWELL: The ages of these children—we will take the daughter living in British Columbia, at the time of the last federal election she was about twenty-four and occupied a very good position in British Columbia. No, the young man that I am thinking of is 28 years of age, yet under the law of British Columbia he is not allowed to vote because he is a descendant of a Doukhobor. That, apparently, is the reason why they are not allowed to cast a vote.

Mr. STICK: Did they not have the right to cast a vote in the last election?

Mr. MURRAY: Would you call that genocide?

Mr. COLDWELL: What I am saying is that it is a case where it might be argued that there was mental harm.

Mr. LESAGE: But it is serious mental harm in here.

Mr. COLDWELL: Well, there is distress caused there because they are placed in a very invidious position just because they happen to be descendants of Doukhobors.

Mr. STICK: Could you give us their names?

Mr. COLDWELL: I do not have to give their names and put them on the record. I am saying that I make that statement on my own responsibility as a member respecting two cases which I know. I am not required to give their names.

Mr. MURRAY: Is that restricted to descendants of Doukhobors only, or does that apply to the Sons of Freedom more particularly?

Mr. COLDWELL: The point I am interested in there is whether that could be taken as indicating that we could be accused of doing mental harm to the members of this group in these circumstances.

Mr. LESAGE: May I ask a question, Mr. Coldwell?

Mr. COLDWELL: Yes.

Mr. LESAGE: I am not familiar with the provincial law applying to Doukhobors as regards the franchise; but, as I see it there is no relevancy, there is no application, because this section refers to "causing serious . . . mental harm to members of the group". These people to whom you referred are not bothered in respect to their living in the city to which you refer?

Mr. COLDWELL: No, not that I know of.

The CHAIRMAN: Of course, there are quite a number of persons in jail who cannot vote.

Mr. COLDWELL: I know that.

The CHAIRMAN: You would not say that because they were in jail as a consequence of their own acts and could not vote, that that would come within this article?

Mr. LESAGE: But Mr. Coldwell's case is somewhat different. I do not know—a group—is this a group of Doukhobors, or members of a group?

Mr. COLDWELL: Yes, it is members of a group.

Mr. LESAGE: I do not know that there is any remedy that could be applied under the laws of British Columbia.

Mr. COLDWELL: I do not know of any.

Mr. LESAGE: No, but even if there was not, if I understand the point made by Mr. MacLeod it is this: that it must be such an act as would cause serious mental harm, that it would amount to genocide. Do you think it would?

Mr. COLDWELL: I don't know. That is what I am getting at. I am asking our legal officers if that could be included.

Mr. MACLEOD: I should think the question of serious mental harm would be interpreted by the courts to mean more than just mental harm to an individual, it would mean harm that could destroy in whole or in part, the group as such.

Mr. BATER: I would like to ask Mr. Coldwell if these particular Doukhobors that he has mentioned here are just the ordinary Doukhobors or are they connected with the Sons of Freedom?

Mr. COLDWELL: Oh no, they are not connected with the Sons of Freedom. May I say, off the record—

Mr. CHURCHILL: I think perhaps this question is probably more open to criticism than anything else in the convention. The origin of this is rather

interesting. As I understand it it was introduced into the convention at the wish of China whose representatives presented the incidents of genocide attempted by the Japanese through the use of narcotics, that they were attempting to destroy Chinese in that way; and that was the one criticism; by the introduction of narcotics, and consequently causing serious mental harm by the introduction of opium. As a matter of fact, my information is that this is the clause which has suggested consideration of a reservation before the Senate Foreign Relations Committee in the United States.

Mr. LESAGE: I have seen that reservation. I have it here, and it is now being considered in the foreign relations Committee although nothing has been decided on it. It reads, and I quote “‘(it would be the following reservation)’ that the United States government understands and construes the words mental harm, appearing in article II of this convention, to mean permanent physical injury to mental faculties.” Well, that is quite all right, but it does not really constitute a reservation, it is a declaration by the United States of what their definition is.

Mr. Low: It is a definition.

Mr. LESAGE: Of what they understand to be the definition; so, as Mr. MacLeod has explained, it is impossible to conceive real mental harm which would be directed to the destruction of a group, either religious or national, which would bring about that destruction, which would not be accompanied by some kind of physical harm or physical deprivation of freedom; or by some physical means, such as the one mentioned by Mr. Churchill. If what happened in China because the Japanese tried to treat them with narcotics happened here, that would be punishable under the code; it is provided for.

Mr. MACLEOD: Yes.

Mr. LESAGE: It is provided and it would be a very serious offence; not only trading in narcotics, but it would be an assault on the person—if intent was proved it would be an assault on the person.

Mr. COLDWELL: Let me ask you this question. What about a person being caused severe mental distress by being subject to exclusion from a restricted area, let us say on a lake front or is refused his normal rights in regard to a number of things in this country. Would that be mental distress?

Mr. LESAGE: What is your point, Mr. Coldwell?

Mr. COLDWELL: I am thinking of groups who are refused the enjoyment of property on the ground of race or creed.

Mr. MURRAY: But would that be causing mental harm to a group?

Mr. COLDWELL: I am discussing those who are excluded from enjoying certain usual rights. You know very well the groups to whom I have reference; for instance, there are some members of the Jewish race who are discriminated against in that way.

Mr. MURRAY: Yes, and what about coloured people.

Mr. LESAGE: But, can that bring about the destruction of a group in whole or in part?

Mr. COLDWELL: It can cause mental distress.

Mr. LESAGE: Yes, but not the destruction of a group.

Mr. MURRAY: It can cause serious mental harm.

Mr. COLDWELL: Yes, that might become mental harm.

Mr. LESAGE: If there is—we will take—

Mr. MURRAY: Let us take one thing at a time. Now, this narcotics business has been brought up I think we may as well leave this committee in session, because if the Japanese use of narcotics in China is being brought up as an

example I think there is a record of certain of our own people having pressed narcotics on the Chinese, and a former Governor General of Canada, I think you will recall, was said to have ordered that, to have signed an order.

Mr. COLDWELL: What was his name?

Mr. MURRAY: I mean, respecting the use of narcotics in China.

Mr. COLDWELL: What was his name?

Mr. MURRAY: You are a better student of history than I am. You should know it.

Mr. STICK: I think we should have the name, Mr. Chairman

Mr. MURRAY: Well, there is no difficulty about that. If you will look up the record of Lord Elgin—I think you will find that record is a bit of history—he signed a convention about the use of narcotics in China. If this convention were carried through some people might get up and say that it ought to be made retroactive.

Mr. QUELCH: On that point of mental distress, would you consider an action of bitter denunciation which might cause such a high degree of mental anguish that the individual might become mentally unbalanced—would that come under this?

Mr. LESAGE: The question there is, did it include criminal intent?

Mr. QUELCH: No, but it could be called mental anguish, it certainly could cause severe mental anguish.

The CHAIRMAN: The definition of genocide is that it means the destruction of a group, not one individual; in which case it would come under the Criminal Code and in that case would be either manslaughter or murder.

Mr. LESAGE: We seem to have forgotten the opening words of this article II.

Mr. QUELCH: The definition is in that.

Mr. MACLEOD: Yes; genocide means any of the following acts committed with intent to destroy, in whole or in part—and then, (b), causing serious bodily or mental harm to members of the group; it gives examples of genocide in that article."

Mr. LESAGE: It might cause mental harm to an individual but it would not destroy a group or part of a group.

Mr. QUELCH: Well, that is a hard item to prove intent with regard to an individual.

Mr. MACLEOD: You have to prove the intent.

Mr. LESAGE: As the Minister of Justice has said, I agree with him that I cannot conceive of anything that could be done in Canada which is not covered already by the relevant sections of the Criminal Code.

Mr. Low: I think the concern of some members is that by acceding to this convention, Canada may possibly open the way for a great many foolish charges to be made on the grounds, let us say, of just idle criticism, or a disclosure of wrong doing or such things as that, which might be interpreted by the persons affected as a breach of section B; and very often just laying a charge against a person and bringing him before the courts will cause him tremendous expense, and all that sort of thing is serious.

The CHAIRMAN: But it is not genocide, Mr. Low.

Mr. Low: The point is that a charge could be laid before the courts and it is necessary for the accused to prove that he did not have the intent.

Mr. BENIDICKSON: And it is also necessary for the people who charge him to make their proof.

Mr. Low: Yes, but he is there before the courts, and the affect on him may never be overcome.

Mr. COLDWELL: If we had a Bill of Rights in our constitution I would be more happy about this.

Mr. LESAGE: Let us not start that, Mr. Coldwell.

Mr. COLDWELL: I am just passing a remark.

Mr. LESAGE: You know all about our unwritten rights.

Mr. Low: I think that Mr. Coldwell has put his finger on something important. I have an idea that the wording of this section is an intent to introduce a partial Bill of Rights.

The CHAIRMAN: Of course, like all conventions of this kind, it is more for prevention than anything else; and if the words 'mental harm' could be brought to public attention it would no doubt act as a deterrent of many things which have happened in the past and which are happening at the present time.

Mr. COLDWELL: If you know there is not going to be any penalty, it makes a difference. For example, when I was a boy in the old country I used to see notices on various estates reading: "Beware of man traps and spring guns." But that did not stop me from stealing the chestnuts, because I knew there were no man traps and no spring guns.

Mr. BATER: You were a bad boy!

Mr. COLDWELL: Like all bad boys.

Mr. STICK: I do not think we can go any further on this than to accept the United States' definition of 'mental harm'. I think that is as far as we can go.

Mr. MURRAY (*Cariboo*): I do not think we are trying to legislate against persons who may impose mental harm entirely; mental harm could be the casting of names on certain groups, which would be harmful to children and to sensitive persons; the writing of poetry which held them up to ridicule and which made them objects of contempt; and the drawing of cartoons. From there you get into the field of motion pictures and television.

The CHAIRMAN: The Prime Minister would be in a bad boat then.

Mr. MURRAY (*Cariboo*): Men have got to suffer these lashes and so on; a minority has to go through all that. For example, there was the calling of Chinese by certain names such as chinks; I have heard it very often, but it is not so popular now. It becomes offensive to them and to the younger people and so on; and then there is the hurling of names at the coloured races, at the negroes on our own continent; and at the Indians, labelling them as siwash, which is a common word up in our part of the country. A young girl may be attending school, she has a good character, and then someone will say "Oh, she is only a siwash", and they may write it on her slate or put it on the blackboard. It will break the spirit of that child; it does just as real harm as if we took a lash and laid it on her back.

(At this point discussion continued off the record).

The CHAIRMAN: Will you proceed now, Mr. MacLeod, please?

Mr. FRASER: Would not the Act which we had during the war, getting all the Japanese out of British Columbia, be considered mental harm?

Mr. MURRAY (*Cariboo*): That was an act of war.

Mr. FRASER: But it says "in peace or in time of war".

Mr. MACLEOD: It was scarcely intended to destroy the Japanese race. This doctrine, as I conceive it, is one that is designed to preserve the right of survival and nothing more; the right of survival of the group has nothing whatever to do with any other rights or privileges.

Mr. COLDWELL: Does that mean survival as a group?

Mr. MACLEOD: Yes, as a group, so that the group itself shall not perish from the earth.

Mr. FRASER: Yes, but you may be dividing a father from a mother, or a husband from a wife.

Mr. MACLEOD: That involves a form of false arrest.

Mr. BENIDICKSON: With a fair amount of intent to destroy.

Mr. MACLEOD: I think it would be fair to say that in time of national emergency the convention must give way to the survival of the nation. I think that goes without saying that no nation will sacrifice itself merely in order to pay service to an international convention.

Mr. LESAGE: And moreover, if we have to protect the national security, if an act is done to protect national security such as taking one group and putting them aside in a time of emergency, until immediately after the emergency is over, there is no intent to destroy a national, ethnical, religious or racial group.

Mr. FRASER: But there is another angle. I asked before regarding gas bombs. Police use gas bombs as a last resort. In a jail riot or anything of that sort they ask the offenders to surrender. And after a week, if they do not surrender, gas bombs are used; but they are used only as a last resort; and I think they are used in many cases to destroy.

The CHAIRMAN: Not to destroy; gas bombs do not kill, Mr. Fraser.

Mr. MACLEOD: In the enforcement of the law the police officer is justified in using as much force as is reasonably necessary to carry out a lawful act that he is performing; but in the case of a private individual who may use the gas bomb, there is a provision in the code making it an offence to use the gas bomb by way of threat, intimidation, or for the purpose of injuring, hurting, or even killing another. But the police officer must have the necessary power to perform his duty, which is that of protecting society.

Mr. FRASER: But suppose the Russians objected to some act on our part here in Canada, would they say that our police had the authority?

Mr. MACLEOD: I doubt if they could convince anybody that a police officer throwing gas bombs in order to break up a riot in a prison was intending to destroy national, ethnical, religious or racial groups.

Mr. FRASER: I know I would not say so, but I was just wondering what people in other countries would say. What would Russia say?

Mr. LESAGE: Well, we do not need to ratify the convention to have them say what they want to say.

Mr. FRASER: You are right on that.

Mr. RICHARD: I suppose the classical example would be when the Acadians were sent from the land of Evangeline down to Louisiana.

Mr. MURRAY (*Cariboo*): A poet took good charge of that case and the whole world benefited from the fine exposition that he made in poetry about the Acadians.

Mr. COLDWELL: I think we understand this now—although our understandings may not all be the same.

Mr. MACLEOD: I suggested that before any individual could cause serious mental harm to any member of such a group it would be necessary for him to exercise some sort of physical dominion over the person or the person's property. I suggest before that could be done you would find, in the average case certainly, some form of assault such as I have mentioned—bodily injury or causing bodily harm to the person. The ones I have reviewed—serious bodily harm—are covered in paragraph (b).

Also you would find threats to murder, and that is covered by section 265—anyone who intimidates a person by threats of violence or damage to his property. You threaten that you will do violence to him or do damage to his property unless he does or does not do something that you want him to do. There are provisions in the Code that where an individual fears that he or his family or his property are going to be damaged or destroyed by some other individual he can apply for that person to be bound over to keep the peace. Section 451 has a provision making it an offence to demand property with threats or menaces to do harm.

You will also find false imprisonment. Generally I think in order to cause serious mental harm you have got to have the individual in a confined state and torture him or do something to him. That is false imprisonment and it is an offence under the common law. Also, under section 297 of the Code it is an offence punishable by twenty-five years imprisonment—to forcibly arrest, confine or imprison any person in Canada without lawful authority.

There are other provisions in section 244 that impose a legal duty on a person who has another person in his custody to provide the necessities of life to that person and, if he does not provide necessities of life for that person he is guilty of an offence.

Paragraph (c)—“*deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part.*”

Mr. STICK: Carried.

Mr. CHURCHILL: Would you not regard the “in part”—or just what do you mean by that? How many would a “group” be, with reference to the reservation suggested by the United States? Would that be a substantial portion?

Mr. MACLEOD: I would expect it to be a substantial part. Killing one member of a group for the purposes of this convention would not be killing a part of the group. It would be a question to be determined by the court in every case on the basis of the evidence presented to it.

Mr. STICK: Carried.

Mr. MACLEOD:

(d) *Imposing measures intended to prevent births within the group:*

One measure that might be resorted to would be segregating the sexes and there I do not see how you could segregate the sexes without having false arrest in some form or other.

Mr. FRASER: How about birth control—groups that believe in birth control?

Mr. MACLEOD: That believe in it?

Mr. FRASER: There are groups.

The CHAIRMAN: That is not imposed—

Mr. MACLEOD: Abortion would be one method of preventing births, but there again it is a criminal offence. Sterilization is dealt with—

Mr. STICK: You cannot prevent births without committing an offence of bodily harm.

Mr. MURRAY: If a man owns a number of apartment buildings and puts up a sign “no children”—

Mr. STICK: That is not birth control.

Mr. MURRAY: It is a serious question. It is one of the biggest questions before the western world today.

The CHAIRMAN: Order.

Mr. MACLEOD: Paragraph “(e), *forcibly transferring children of the group to another group.*” That is obviously kidnapping, I should think. In the first place it is kidnapping and it is also false imprisonment. Kidnapping is punishable by imprisonment for twenty-five years.

It should be remembered the rights we have are those that are conferred by law and courts are established to ensure that those rights are not unlawfully transgressed. To this end there exist what are called extraordinary remedies. They are the prerogative writs such as Habeas Corpus, mandamus, certiorari and prohibition. Perhaps the most important one is Habeas Corpus which everyone knows is designed to secure the liberty of the subject. I suggest as long as the subject can secure his liberty there is no great danger that he or his group will be destroyed within the meaning of the convention.

Mr. FRASER: Is paragraph (e) put there owing to the fact that the 'commies' took the Greek children?

Mr. LESAGE: This convention was written in 1948 and I was not with the department or at the General Assembly then. I don't know whether you were there or not, Mr. Coldwell? Were you in Paris in 1948 when this was voted on?

Mr. COLDWELL: No, but I was in Lake Success in 1946 when this word was coined and I remember we had a discussion as to what it meant.

Mr. ERICHSEN-BROWN: I will look it up and get the answer.

The CHAIRMAN: Shall article II carry?

Mr. RICHARD: There is only one thing I wanted to ask Mr. Lesage. We speak of "a group" here all the time. Is there any definition as to how many there must be in a group? Could so many people get together and say: We are a group—or just what is a group?

Mr. LESAGE: You read article II. It has to be a national, ethnical, racial or religious group.

Mr. LOW: That would take in everybody.

Mr. LESAGE: You could have a religious group of ten people.

Mr. RICHARD: Then that group themselves could say: We are a religious group for certain purposes.

Mr. LESAGE: Yes, but in order to prove genocide you would have to prove intent to destroy that religious group as a group.

Mr. CHURCHILL: You will notice there is no protection for political groups.

Mr. COLDWELL: We are all engaged in trying to destroy them.

The CHAIRMAN: Shall article II carry?

Carried.

Article III.

The following acts shall be punishable:

- (a) Genocide;
- (b) Conspiracy to commit genocide;
- (c) Direct and public incitement to commit genocide;
- (d) Attempt to commit genocide;
- (e) Complicity in genocide.

Mr. CHURCHILL: With respect to article III and the criminal law, could you put forward a charge on either (a), (b), (c), (d) or (e) without having something written in the Code?

Mr. MACLEOD: I should think so. As far as (b) is concerned—that of conspiracy to commit genocide, under section 573 of the Code conspiracy is an indictable offence so the conspiracy to commit any offence we have mentioned would be a punishable offence.

"(c) direct and public incitement to commit genocide," is covered by section 69 which provides that a person who aids, abets, counsels and procures the commission of an offence is guilty of an offence. It might also constitute common law sedition—that is the inciting of persons to violence, public

disturbance or disorder, by causing discontent or dissatisfaction among or promoting feelings of ill will or hostility between different classes of persons in Canada.

Mr. RILEY: That is a pretty broad provision. You could monitor street corner speeches by religious fanatics and so forth and you could hale any number of people up before the courts on that particular section.

Mr. LESAGE: But, Mr. Riley, you know the attempt to commit an offence is an offence under our Criminal Code.

Mr. BENIDICKSON: But it still has to go back to this intent to destroy.

Mr. LESAGE: It is incitement of the public to commit any of the acts described in article II.

Mr. BATER: The Canadian Criminal Code has been mentioned considerably in the last fifteen to twenty minutes. If the convention has not yet set out penalties, will the criminal codes of the countries signing be the basis used for applying penalties?

Mr. LESAGE: They will have to.

The CHAIRMAN: Gentlemen, order, please, we cannot hear.

Mr. LESAGE: As I explained last night, it has to be that way because there is no international penal tribunal, and the penalties set will be imposed by the national courts of each ratifying country, according to their own laws which they endeavour to bring up to the standards if they are not up to the standards that we contend they are in Canada.

The CHAIRMAN: Shall the article carry?

Carried.

Article IV.

ARTICLE IV

Persons committing genocide or any of the other acts enumerated in article III shall be punished, whether they are constitutionally responsible rulers, public officials or private individuals.

Mr. CHURCHILL: Mr. Chairman, it would be rather difficult to lay a charge against the constitutionally responsible ruler in Canada, would it not, with any expectation of success?

Mr. MACLEOD: Under the Criminal Code of Canada, the Sovereign is liable for the commission of crimes in Canada, and every representative of the Sovereign.

Mr. FRASER: Yes, but you have to get permission from the Sovereign in order to prosecute?

Mr. MACLEOD: No. The Criminal Code says, to use a typical section, everyone who does thus and so is guilty of an offence. The Criminal Code in the interpretation section defines "everyone" to include His Majesty.

Mr. MURRAY: It would be a little tough on the civil servants, I would say, in the event of being found guilty. A lot of innocent men who are merely carrying out orders from a constituted authority, from the parliament, could hang on the highest gallows.

Mr. Low: I can see Mr. Churchill's point. For instance, who would attempt, from the records that we have, to punish Franco for the crime of genocide?

Mr. COLDWELL: They are not signatories.

Mr. Low: But if they were?

Mr. COLDWELL: I should think that Franco could not even apply for membership in the United Nations.

The CHAIRMAN: Even if he did apply and was a member it would not be here, because the matter would be before the United Nations.

Mr. Low: Mr. Churchill's question was quite pertinent, I think, and well put.

The CHAIRMAN: Shall article IV carry?

Carried.

Article V. Shall it carry?

ARTICLE V

The Contracting Parties undertake to enact, in accordance with their respective Constitutions, the necessary legislation to give effect to the provisions of the present Convention and, in particular, to provide effective penalties for persons guilty of genocide or of any of the other acts enumerated in article III.

Mr. Low: Then I take it, Mr. Chairman, that it is not the intention of the government to proceed with the formulation of legislation in accordance with this article. It is taken for granted that the Criminal Code is sufficient for our purposes?

Mr. LESAGE: Yes.

Mr. COLDWELL: We are going to amend the Criminal Code and it seems to me this should be reviewed and if amendments are necessary they could be made.

Mr. LESAGE: That is up to parliament.

Mr. COLDWELL: It is up to the government to recommend it.

Mr. Low: Has anything been determined as to whether our views in this respect are acceptable to the United Nations?

Mr. LESAGE: The opinion of the Deputy Minister of Justice, which is accepted by the Canadian government, is that the provisions of the Criminal Code as they are now cover all the possibilities and are such that any of the acts mentioned in articles II and III are punishable under our law.

Mr. BENIDICKSON: If any member of parliament does not agree with that he can introduce an amendment to the bill.

Mr. Low: Would we accept Stalin's statement to that effect—if he had signed and acceded to this convention and then said “no, under article V it is not necessary for us to pass any legislation, our Criminal Code covers everything”?

Mr. LESAGE: And if he says that and we do not agree?

Mr. Low: That is the point—if we do not agree.

Mr. LESAGE: What can we do about it?

Mr. COLDWELL: There is no remedy.

Mr. LESAGE: We have no remedy, except to complain in the General Assembly.

Mr. STICK: Of course there is public opinion.

The CHAIRMAN: This convention, of course, originated with the United Nations, of which we are a member. For my own information I would like to ask Mr. Lesage if there is anything we do not agree with or we would like to recommend, can this committee do so? After all, it is an international organization and we have nothing to do with the making of it as a parliament.

Mr. Low: In other words, we ratify it as a parcel or reject it in whole?

Mr. LESAGE: In order to answer your questions, may I say that in 1948 this wording, which was in the resolution of the United Nations was adopted unanimously by the General Assembly. In 1948, 56 countries were members of the United Nations, including Canada, and the wording was accepted unanimously. Although we can ratify the convention we cannot amend it, but we can ratify it with reservations.

Mr. COLDWELL: I thought we could always place an amendment before the United Nations Assembly?

Mr. LESAGE: Yes, but my opinion is—maybe it is not shared by others—that any explanatory note that we add to a ratification of a convention is not in fact a reservation, as we understand the meaning of the word, especially in a case like this, when putting the convention into effect will be done in the country itself.

Mr. CHURCHILL: Mr. Chairman, Mr. Lesage just stated it was passed unanimously by the United Nations in 1948. That was correct, nevertheless, in the prior discussions concerning this convention, in the ad hoc committee which was set up by the Economic and Social Council there was not unanimity and in the sixth (Legal) Committee of the General Assembly, which spent two months over this, there was a certain lack of unanimity, but it ended up before the Assembly by being passed.

Mr. LESAGE: That is the usual way of discussion and compromise where we are trying to do the best to come to an understanding. Every nation gives a little and receives a little, and in that way we come to a compromise which is the basis of the convention, and the wording of an international convention is always a compromise. I will go further and say that even a bilateral treaty in many instances contains some provisions which were not to the liking of one of the parties before it was signed, but it was eventually agreed upon by the process of give and take.

Mr. COLDWELL: That is true of almost any agreement or contract.

Mr. LESAGE: Yes, that is the way it is usually done.

Mr. CHURCHILL: This is very much a compromise document because the original idea was to make states responsible under international law, and it ends up by being individual responsibility under national jurisdiction.

Mr. LESAGE: I believe that a country like Canada, which goes along in the United Nations with very sincere intentions and with other free countries tries and gets the best it can in order to save the peace of the world and the security of mankind, cannot impose what we think is the best. Other nations of the world were getting as much as possible in the way of compromise. I believe that is the position and I believe it is one of the reasons why it is important for Canada to ratify this convention.

Mr. COLDWELL: Oh, yes.

The CHAIRMAN: Shall article 'V carry?

Carried.

Article VI. Shall it carry?

ARTICLE VI

Persons charged with genocide or any of the other acts enumerated in article III shall be tried by a competent tribunal of the State in the territory of which the act was committed, or by such international penal tribunal as may have jurisdiction with respect to those Contracting Parties which shall have accepted its jurisdiction.

Mr. CHURCHILL: With regard to article VI, the last part of it, there is no international penal tribunal and it is unlikely one will be set up without some similar convention?

Mr. LESAGE: It is a possibility that one could be created because it is still being discussed and the matter is coming before the next General Assembly.

Mr. ERICHSEN-BROWN: I might make an observation on that point. This question of an international penal tribunal has been under discussion for several years and at the fifth Assembly there was a special committee appointed, on which 15 states were represented, which met at Geneva for the purpose of drafting a statute with respect to an international penal court. The principle was not previously approved in the United Nations and the instructions were given to this committee to prepare a draft statute simply as an aid to the United Nations in subsequently considering whether it was possible and desirable or in fact practicable to set up such a court. We have received the report of the deliberations of that committee and in connection with the Genocide Convention they have recommended that if such a tribunal is set up it should assume jurisdiction in the case of genocide, but by a separate convention to that effect. Other states would have an opportunity to reconsider their position at that time in reference to the tribunal. In other words, we would have to consider another convention.

Mr. STICK: In other words, the wording here, Mr. Chairman, is in the hope of eventually getting around to establishing such a court.

Mr. CHURCHILL: It is interesting that in that connection this was part of the original suggestion by the United States and was opposed right from the start by Russia. Subsequently the clause was incorporated in the convention at the instance of France—France being at the moment the only major power that has ratified the convention. It is merely looking forward to the future.

The CHAIRMAN: Shall article VI carry?

Carried.

Article VII. Shall it carry?

ARTICLE VII

Genocide and the other acts enumerated in article III shall not be considered as political crimes for the purpose of extradition.

The Contracting Parties pledge themselves in such cases to grant extradition in accordance with their laws and treaties in force.

Mr. LESAGE: Here are the political crimes, Mr. Coldwell.

Mr. COLDWELL: I do not commit any political crimes, so it does not concern me!

The CHAIRMAN: Shall article VII carry?

Carried.

Article VIII. Shall it carry?

ARTICLE VIII

Any Contracting Party may call upon the competent organs of the United Nations to take such action under the Charter of the United Nations as they consider appropriate for the prevention and suppression of acts of genocide or any of the other acts enumerated in article III.

Mr. COLDWELL: There are no reservations to this by any of the contracting nations, reservations to article VIII?

Mr. LESAGE: Article VIII?

Mr. COLDWELL: No reservations? Were there no reservations to that?

Mr. ERICHSEN-BROWN: No, Mr. Coldwell.

Mr. CHURCHILL: What would be the competent organ of the United Nations that might take action?

Mr. ERICHSEN-BROWN: The United Nations have a very broad power of discussion and any state which is a member of the United Nations would have the right to invoke the assistance of the United Nations under the charter and act independently of this convention.

Mr. COLDWELL: The competent organization of the United Nations, that is what I want to have defined, because surely the Court of International Justice would be a competent organ of the United Nations.

Mr. LESAGE: Yes, but according to the reservations made by certain states it would not be competent so far as they are concerned.

Mr. COLDWELL: You consider that the reservation covers that point? I see.

Mr. LESAGE: May I give you an example. Suppose the authorities in one country would attempt to commit genocide against another race living in a neighbouring country. Well, surely the competent authority would be the Security Council, because then the security of the world would be at stake.

Mr. COLDWELL: It would be in that case.

Mr. LESAGE: I am just giving an example.

Mr. MURRAY: You could use the army, the United Nations army forces—

Mr. LESAGE: It is a possibility. It would all depend on the case.

Mr. MURRAY: —to stem aggression.

Mr. CHURCHILL: You would not be able to use force under the United Nations unless the Security Council took some action, and the Security Council would not take action unless the peace of the world was endangered.

The CHAIRMAN: Shall article VIII carry?

Carried.

Article IX. Shall the article carry?

ARTICLE IX

Disputes between the Contracting Parties relating to the interpretation, application or fulfilment of the present Convention, including those relating to the responsibility of a State for genocide or for any of the other acts enumerated in article III, shall be submitted to the International Court of Justice at the request of any of the parties to the dispute.

Mr. CHURCHILL: I think Mr. Lesage last evening said this was one that put teeth into the convention.

Mr. LESAGE: For the international application.

Mr. COLDWELL: The teeth are rather soft!

Mr. LESAGE: Implementation.

Mr. CHURCHILL: There is really not much strength to this, then, it is simply putting the state before the bar of public opinion, that is, no action can be taken of any sort. A declaratory judgment could be given by the court of international justice?

Mr. LESAGE: Mr. Churchill, I am coming back to the argument which I made a few moments ago. We are doing our best, the best under the circum-

stances, to accept that vis-a-vis the reserving countries, that at least it has the advantage of being a convention which is of a lawmaking character and if any of the countries with or without reservations could accept that genocide, the attempt to commit genocide, is a crime in the said countries, it would surely be of a great moral value.

The CHAIRMAN: Shall the article carry?

Mr. COLDWELL: We cannot do anything with it but carry it.

Mr. LESAGE: We can do a lot to carry its provisions here in Canada. We are trying to make more universal our standards of—

Mr. COLDWELL: Conduct.

Mr. LESAGE: —our own standards.

The CHAIRMAN: Article X. Shall it carry?

Carried.

Article XI. Shall it carry?

ARTICLE XI

The present Convention shall be open until 31 December 1949 for signature on behalf of any Member of the United Nations and of any non-member State to which an invitation to sign has been addressed by the General Assembly.

The present Convention shall be ratified, and the instruments of ratification shall be deposited with the Secretary-General of the United Nations.

After 1 January 1950 the present Convention may be acceded to on behalf of any Member of the United Nations and of any non-member State which has received an invitation as aforesaid.

Instruments of accession shall be deposited with the Secretary-General of the United Nations.

Mr. MURRAY: I think you had better bring this article XI up to date. That date is past now, is it not?

Mr. COLDWELL: "After 1 January, 1950 the present Convention may be acceded to on behalf of any Member of the United Nations and of any non-member State which has received an invitation as aforesaid." It may be done any time after that.

Mr. LESAGE: May I explain? After the 1st of January, 1950, those who have not signed can accede and those who have signed can ratify.

Mr. MURRAY: The present convention shall be open until the 31st of December, 1949—

Mr. LESAGE: Those who have not signed at that time can accede to the convention and those who have signed can ratify.

The CHAIRMAN: Shall the article carry?

Carried.

Article XII?

Carried.

Article XIII?

Carried.

Article XIV?

ARTICLE XIV

The present Convention shall remain in effect for a period of ten years as from the date of its coming into force.

It shall thereafter remain in force for successive periods of five years for such Contracting Parties as have not denounced it at least six months before the expiration of the current period.

Denunciation shall be effected by a written notification addressed to the Secretary-General of the United Nations.

Mr. Low: What was the purpose of limiting the duration of this convention with subsequent successive periods of five years extension?

Mr. LESAGE: There could be a revision. Anybody can move for a revision in the General Assembly of the United Nations.

Mr. Low: You can do that at any time, and I wondered why they limited the duration.

Mr. COLDWELL: I suppose at the end of ten years it would come up automatically for revision—without anybody raising the matter.

Mr. LESAGE: I do not know what the answer to this is but in all conventions and all treaties there is always a time limit and of course a clause for tacit—what do you call it—it is still in force if it is not—well, in French it is “tacite reconduction.”

Mr. RILEY: Can you give us an educated guess?

Mr. LESAGE: I do not know, it is a legal term—tacit reconduction. For instance, if you have a one year lease for your home and you do not—

Mr. COLDWELL: Automatic renewal?

Mr. LESAGE: Yes. It is always provided for in every treaty and, after negotiation, I suppose they thought ten years and five years would be all right.

Mr. COLDWELL: An automatic extension.

Mr. Low: At the end of ten years any nation can denounce and lodge his denunciation with the secretary general and would not be a party to it after that?

Mr. LESAGE: Yes. Any country can denounce the convention and it is not a party to the convention if it makes such denunciation at least six months before the expiration of the current period.

Mr. Low: At the end of ten years—

Mr. LESAGE: It must be made more than six months before any further period of five years.

The CHAIRMAN: Shall the article carry?

Carried.

Article XV?

Carried.

Article XVI?

Carried.

Article XVII?

Carried.

Article XVIII?

Carried.

Article XIX?

Carried.

Shall the preamble carry?

Carried.

Shall I report the convention?

Mr. CHURCHILL: Just before you pass the final report the only thing I am disturbed about in this whole matter—and I am in favour of condemning the crime of genocide in peacetime—is that public opinion may be misinformed as to the genocide law and in particular with regard to that one phrase on which we spent a little time—the question of mental harm.

I think it should be made clearly evident that this convention refers to the destruction or the attempted destruction of a group under those categories mentioned there. With regard to the public misconception there is an article in the Montreal Star of May 2nd, originating from the United Nations in New York, written by Walter O'Hearn the Star correspondent. He equates this matter of genocide with discrimination—which I think is a careless distinction.

I will quote this:

Genocide is literally the murder of the race. By extension it is an act detrimental to the welfare of any identifiable group whether the lines of identification are religious, racial, cultural, or national. It applies to crimes against such groups short of extermination and is really aimed against any concerted, determined discrimination against a minority.

That is the end of the quotation.

I think that is extending it a little too far and that we should make clear that it is not what is intended by the convention against genocide.

Mr. COLDWELL: That is what I had in mind when I raised the question earlier. I think it does cover those matters and that Walter O'Hearn is right.

Mr. CHURCHILL: In the United Nations at the earlier discussions on genocide they had a clause covering cultural genocide—covering every point you brought out this morning but on a compromise basis it was struck out. Consequently, the convention is really restricted to the destruction of groups by force. Cultural genocide in the opinion of some people who discussed it would more likely be dealt with under the declarations of human rights or protection of minority groups or something of that nature.

Mr. LESAGE: We always come back to the opening words of article II to get the answer to those questions. It cannot be any kind of discrimination against a group or minority and on that Mr. O'Hearn may be going a little far. This has to be qualified in order to be genocide—the discrimination must be with intent to destroy, in whole or in part, a national, ethnical, racial or religious group as such. It is not any kind of discrimination.

The CHAIRMAN: Do you think it would be necessary for you to put forward a recommendation on that, Mr. Churchill?

Mr. LESAGE: May I suggest that I mention it in my statement in the House. If you will pass it on to me I can refer to it in my statement.

Mr. CHURCHILL: The only other thing is, and I am not going to press the point, but do you think it wise or not to express a reservation in accordance with the United States Senate suggestion on mental harm. That bothers me more than anything else. I gather from what Mr. Lesage suggested their reservation does not have very much meaning but would it not be wise to make the matter perfectly clear to ourselves as well as to others and submit a definition in regard to mental harm?

Mr. COLDWELL: Suggest an amendment. We cannot amend but we can suggest an amendment to the United Nations.

Mr. LESAGE: Well, when ratifying the convention you add to your ratification that you understand such a word as meaning such and such a thing. That is not a reservation and I believe that Mr. Erichsen-Brown would like to say a few words on that.

Mr. ERICHSEN-BROWN: I wish to make just a brief statement on that point. My understanding is that the clause which has been considered in Washington is not a reservation in the true sense. The effect of a reservation is essentially to deny that you are assuming the obligation of the particular clause against which you are making the reservation. This suggested paragraph was more in the nature of an observation. In other words it was a statement that they proposed to interpret the words "mental harm" in a certain way.

Mr. LOW: That is exactly what Mr. Churchill asked.

Mr. CHURCHILL: Is it not essential for the other contracting parties—so that they will understand before you get into an argument—

Mr. LESAGE: When you are ratifying it in the House of Commons you can make a statement there—and say that we cannot conceive of any mental harm which is not accompanied in Canada by physical harm.

Mr. LOW: Mr. Churchill could not do that, you would do it.

Mr. LESAGE: I will say something along these lines to clarify it.

Mr. STICK: I do not believe it will do any good; it is more or less interpretation and not a reservation at all, and if it is not going to do any good why have it.

Mr. LOW: Well, Mr. Chairman, I differ and I think it does do some good. In the last analysis it is only under the Criminal Code and nationally that this thing has any force and effect. Certainly if we declare to the world in a statement such as Mr. Churchill suggested that we interpret this particular phrase under clause (b) of article II to mean such and such, that merely means that it is the way in which we are going to administer it.

Mr. LESAGE: We can so declare in the House of Commons.

Mr. LOW: That is what Mr. Churchill wanted—to have it declared.

Mr. CHURCHILL: I suggested an explanation—that is just as effective.

Mr. LESAGE: I would not agree though with the existing wording of the so-called reservation that was discussed or proposed in the Foreign Relations Committee of the United States Senate because it goes a bit too far.

Mr. LOW: At any rate that phrase should be made abundantly clear.

Mr. STICK: For clarification.

Mr. LESAGE: I will read it again: "The United States government understands and construes the words 'mental harm' appearing in article II of this convention to mean permanent physical injury to mental faculties."

I do not agree with that.

Mr. LOW: Well, you cannot commit genocide unless it is permanent.

Mr. LESAGE: Well there again—

Mr. FRASER: You are right.

Mr. COLDWELL: It depends on the definition of genocide in article III.

Mr. LOW: If there is anything temporary about it I think we have been spending a lot of time foolishly.

The CHAIRMAN: When you apply it physically it is more definite.

Mr. COLDWELL: "Physically" is the end—

Mr. LESAGE: Might it not be conceivable that in the kind of case Mr. Churchill was proposing, of killing the minds of the people temporarily by distributing or forcing narcotics on them, that you could get to a point where you would destroy at least part of a group?

Mr. Low: May I suggest now, that if Mr. Lesage is going to make a statement in the House when this is referred back, I would think the best way to deal with it would be to have Mr. Lesage take into consideration what Mr. Churchill has said, and what others have said. He could perhaps submit beforehand some draft of what he is going to say to get Mr. Churchill's concurrence, and if any of the rest of us have reservations we will just stand up and give them.

Mr. LESAGE: I will do that with pleasure.

Mr. STICK: That is fair enough.

The CHAIRMAN: Shall the preamble carry?

Carried.

Shall I report the convention?

Carried.

The CHAIRMAN: Before we have the motion for adjournment we have as an order of reference the supplementary extradition convention between the United States of America, and Canada. Would you agree that we should hold a meeting on that on Monday?

Mr. COLDWELL: Can the people who are interested in that be here? I think some of the members of the Progressive Conservative Party are very interested in the matter—Mr. Fleming and Mr. Graydon.

Mr. Low: It would be just as well to leave it until Tuesday?

Mr. MORAN: As Mr. Garson is going to deal with this matter in the House he has agreed that he will appear before this committee on it. He spoke to me this morning and said that, having regard to commitments that he has already made for next week, Monday afternoon would be the most convenient time for him; but he would of course make every effort to be here on some other date if Monday is not convenient. I understand that he cannot come on Tuesday. I think there is a matter in the House on Tuesday which will make it impossible for him to do so.

Mr. COLDWELL: I think we should suit his convenience if we can.

Mr. Low: Let the steering committee deal with it and call a meeting that will be convenient to all concerned.

The CHAIRMAN: Call a steering committee meeting?

Mr. Low: Yes, this afternoon or Monday morning.

The CHAIRMAN: On Monday morning a lot of our members will be absent so let us make it at half past two on Monday afternoon.

Mr. Low: The meeting of the steering committee?

The CHAIRMAN: Yes.

APPENDIX "A"

CANADA

TREATY SERIES, 1949

No. 27

CONVENTION ON THE
PREVENTION AND PUNISHMENT
OF THE CRIME OF GENOCIDE

Lake Success, December 9, 1948

Signed by Canada, November 28, 1949

RECUEIL DES TRAITÉS 1949

N° 27

CONVENTION POUR LA PRÉVENTION ET LA
RÉPRESSION DU CRIME DU GÉNOCIDE

Lake Success le 9 décembre 1948

Signée par le Canada le 28 novembre 1949

OTTAWA, 1950

CONVENTION ON THE PREVENTION AND PUNISHMENT OF THE CRIME OF GENOCIDE

The Contracting Parties -

Having considered the declaration made by the General Assembly of the United Nations in its resolution 96 (1) dated 11 December 1946 that genocide is a crime under international law, contrary to the spirit and aims of the United Nations and condemned by the civilized world;

Recognizing that at all periods of history genocide has inflicted great losses on humanity; and

Being convinced that, in order to liberate mankind from such an odious scourge, international co-operation is required,

Hereby agree as hereinafter provided:—

ARTICLE I

The Contracting Parties confirm that genocide, whether committed in time of peace or in time of war, is a crime under international law which they undertake to prevent and to punish.

ARTICLE II

In the present Convention, genocide means any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such:

- (a) Killing members of the group;
- (b) Causing serious bodily or mental harm to members of the group;
- (c) Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;
- (d) Imposing measures intended to prevent births within the group;
- (e) Forcibly transferring children of the group to another group.

ARTICLE III

The following acts shall be punishable:

- (a) Genocide;
- (b) Conspiracy to commit genocide;
- (c) Direct and public incitement to commit genocide;
- (d) Attempt to commit genocide;
- (e) Complicity in genocide.

ARTICLE IV

Persons committing genocide or any of the other acts enumerated in article III shall be punished, whether they are constitutionally responsible rulers, public officials or private individuals.

ARTICLE V

The Contracting Parties undertake to enact, in accordance with their respective Constitutions, the necessary legislation to give effect to the provisions of the present Convention and, in particular, to provide effective penalties for persons guilty of genocide or of any of the other acts enumerated in article III.

CONVENTION POUR LA PRÉVENTION ET LA RÉPRESSION DU CRIME DU GÉNOCIDE

Les parties contractantes

Considérant que l'Assemblée générale de l'Organisation des Nations Unies, par sa résolution 96 (1) en date du 11 décembre 1946, a déclaré que le génocide est un crime du droit des gens en contradiction avec l'esprit et les fins des Nations Unies et que le monde civilisé condamne;

Reconnaissant qu'à toutes les périodes de l'histoire le génocide a infligé de grandes pertes à l'humanité;

Convaincues que, pour libérer l'humanité d'un fléau aussi odieux, la coopération internationale est nécessaire;

Conviennent de ce qui suit:

ARTICLE PREMIER

Les Parties contractantes confirment que le génocide, qu'il soit commis en temps de paix ou en temps de guerre, est un crime du droit des gens, qu'elles s'engagent à prévenir et à punir.

ARTICLE II

Dans la présente Convention, le génocide s'entend de l'un quelconque des actes ci-après, commis dans l'intention de détruire, en tout ou en partie, un groupe national, ethnique, racial ou religieux, comme tel:

- a) Meurtre de membres du groupe;
- b) Atteinte grave à l'intégrité physique ou mentale de membres du groupe;
- c) Soumission intentionnelle du groupe à des conditions d'existence devant entraîner sa destruction physique totale ou partielle;
- d) Mesures visant à entraver les naissances au sein du groupe;
- e) Transfert forcé d'enfants du groupe à un autre groupe.

ARTICLE III

Seront punis les actes suivants:

- a) Le génocide;
- b) L'entente en vue de commettre le génocide;
- c) L'incitation directe et publique à commettre le génocide;
- d) La tentative de génocide;
- e) La complicité dans le génocide.

ARTICLE IV

Les personnes ayant commis le génocide ou l'un quelconque des autres actes énumérés à l'article III seront punies, qu'elles soient des gouvernants, des fonctionnaires ou des particuliers.

ARTICLE V

Les Parties contractantes s'engagent à prendre, conformément à leurs constitutions respectives, les mesures législatives nécessaires pour assurer l'application des dispositions de la présente Convention et notamment à prévoir des sanctions pénales efficaces frappant les personnes coupables de génocide ou de l'un quelconque des autres actes énumérés à l'article III.

ARTICLE VI

Persons charged with genocide or any of the other acts enumerated in article III shall be tried by a competent tribunal of the State in the territory of which the act was committed, or by such international penal tribunal as may have jurisdiction with respect to those Contracting Parties which shall have accepted its jurisdiction.

ARTICLE VII

Genocide and the other acts enumerated in article III shall not be considered as political crimes for the purpose of extradition.

The Contracting Parties pledge themselves in such cases to grant extradition in accordance with their laws and treaties in force.

ARTICLE VIII

Any Contracting Party may call upon the competent organs of the United Nations to take such action under the Charter of the United Nations as they consider appropriate for the prevention and suppression of acts of genocide or any of the other acts enumerated in article III.

ARTICLE IX

Disputes between the Contracting Parties relating to the interpretation, application or fulfilment of the present Convention, including those relating to the responsibility of a State for genocide or for any of the other acts enumerated in article III, shall be submitted to the International Court of Justice at the request of any of the parties to the dispute.

ARTICLE X

The present Convention, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall bear the date of 9 December 1948.

ARTICLE XI

The present Convention shall be open until 31 December 1949 for signature on behalf of any Member of the United Nations and of any non-member State to which an invitation to sign has been addressed by the General Assembly.

The present Convention shall be ratified, and the instruments of ratification shall be deposited with the Secretary-General of the United Nations.

After 1 January 1950 the present Convention may be acceded to on behalf of any Member of the United Nations and of any non-member State which has received an invitation as aforesaid.

Instruments of accession shall be deposited with the Secretary-General of the United Nations.

ARTICLE XII

Any Contracting Party may at any time, by notification addressed to the Secretary-General of the United Nations, extend the application of the present Convention to all or any of the territories for the conduct of whose foreign relations that Contracting Party is responsible.

ARTICLE XIII

On the day when the first twenty instruments of ratification or accession have been deposited, the Secretary-General shall draw up a procès-verbal and transmit a copy thereof to each Member of the United Nations and to each of the non-member States contemplated in article XI.

ARTICLE VI

Les personnes accusées de génocide ou de l'un quelconque des autres actes énumérés à l'article III seront traduites devant les tribunaux compétents de l'État sur le territoire duquel l'acte a été commis, ou devant la Cour criminelle internationale qui sera compétente à l'égard de celles des Parties contractantes qui en auront reconnu la juridiction.

ARTICLE VII

Le génocide et les autres actes énumérés à l'article III ne seront pas considérés comme des crimes politiques pour ce qui est de l'extradition.

Les Parties contractantes s'engagent en pareil cas à accorder l'extradition conformément à leur législation et aux traités en vigueur.

ARTICLE VIII

Toute Partie contractante peut saisir les organes compétents des Nations Unies afin que ceux-ci prennent, conformément à la Charte des Nations Unies, les mesures qu'ils jugent appropriées pour la prévention et la répression des actes de génocide ou de l'un quelconque des autres actes énumérés à l'article III.

ARTICLE IX

Les différends entre les Parties contractantes relatifs à l'interprétation, l'application ou l'exécution de la présente Convention, y compris ceux relatifs à la responsabilité d'un État en matière de génocide ou de l'un quelconque des autres actes énumérés à l'article III, seront soumis à la Cour internationale de Justice, à la requête d'une Partie au différend.

ARTICLE X

La présente Convention dont les textes anglais, chinois, espagnol, français et russe feront également foi, portera la date du 9 décembre 1948.

ARTICLE XI

La présente Convention sera ouverte jusqu'au 21 décembre 1949 à la signature au nom de tout Membre des Nations Unies et de tout État non membre à qui l'Assemblée générale aura adressé une invitation à cet effet.

La présente Convention sera ratifiée et les instruments de ratification seront déposés auprès du Secrétaire général des Nations Unies.

A partir du 1^{er} janvier 1950, il pourra être adhéré à la présente Convention au nom de tout Membre des Nations Unies et de tout État non membre qui aura reçu l'invitation susmentionnée.

Les instruments d'adhésion seront déposés auprès du Secrétaire général des Nations Unies.

ARTICLE XII

Toute Partie contractante pourra, à tout moment, par notification adressée au Secrétaire général des Nations Unies, étendre l'application de la présente Convention à tous les territoires ou à l'un quelconque des territoires dont elle dirige les relations extérieures.

ARTICLE XIII

Dès le jour où les vingt premiers instruments de ratification ou d'adhésion auront été déposés, le Secrétaire général en dressera procès-verbal. Il transmettra copies de ce procès-verbal à tous les États Membres des Nations Unies et aux non-membres visés par l'article XI.

The present Convention shall come into force on the ninetieth day following the date of deposit of the twentieth instrument of ratification or accession.

Any ratification or accession effected subsequent to the latter date shall become effective on the ninetieth day following the deposit of the instrument of ratification or accession.

ARTICLE XIV

The present Convention shall remain in effect for a period of ten years as from the date of its coming into force.

It shall thereafter remain in force for successive periods of five years for such Contracting Parties as have not denounced it at least six months before the expiration of the current period.

Denunciation shall be effected by a written notification addressed to the Secretary-General of the United Nations.

ARTICLE XV

If, as a result of denunciations, the number of Parties to the present Convention should become less than sixteen, the Convention shall cease to be in force as from the date on which the last of these denunciations shall become effective.

ARTICLE XVI

A request for the revision of the present Convention may be made at any time by any Contracting Party by means of a notification in writing addressed to the Secretary-General.

The General Assembly shall decide upon the steps, if any, to be taken in respect of such request.

ARTICLE XVII

The Secretary-General of the United Nations shall notify all Members of the United Nations and the non-member States contemplated in article XI of the following:

- (a) Signatures, ratifications and accessions received in accordance with article XI;
- (b) Notifications received in accordance with article XII;
- (c) The date upon which the present Convention comes into force in accordance with article XIII;
- (d) Denunciations received in accordance with article XIV;
- (e) The abrogation of the Convention in accordance with article XV;
- (f) Notifications received in accordance with article XVI.

ARTICLE XVIII

The original of the present Convention shall be deposited in the archives of the United Nations.

A certified copy of the Convention shall be transmitted to each Member of the United Nations and to each of the non-member States contemplated in article XI.

ARTICLE XIX

The present Convention shall be registered by the Secretary-General of the United Nations on the date of its coming into force.

Here follow the names of the signatories for: Australia, Bolivia, Brazil, Canada, Chile, China, Colombia, Denmark, Dominican Republic, Ecuador,

La présente Convention entrera en vigueur le quatre-vingt-dixième jour qui suivra la date du dépôt du vingtième instrument de ratification ou d'adhésion.

Toute ratification ou adhésion effectuée ultérieurement à la dernière date prendra effet le quatre-vingt-dixième jour qui suivra le dépôt de l'instrument de ratification ou d'adhésion.

ARTICLE XIV

La présente Convention aura une durée de dix ans à partir de la date de son entrée en vigueur.

Elle restera par la suite en vigueur pour une période de cinq ans et ainsi de suite, vis-à-vis des Parties contractantes qui ne l'auront pas dénoncée six mois au moins avant l'expiration du terme.

La dénonciation se fera par notification écrite adressée au Secrétaire général des Nations Unies.

ARTICLE XV

Si, par suite de dénonciations, le nombre des Parties à la présente Convention se trouve ramené à moins de seize, la Convention cessera d'être en vigueur à partir de la date à laquelle la dernière de ces dénonciations prendra effet.

ARTICLE XVI

Une demande de revision de la présente Convention pourra être formulée en tout temps par toute Partie contractante, par voie de notification écrite adressée au Secrétaire général.

L'Assemblée générale statuera sur les mesures à prendre, s'il y a lieu, au sujet de cette demande.

ARTICLE XVII

Le Secrétaire général des Nations Unies notifiera à tous les États Membres des Nations Unies et aux États non membres visés par l'article XI:

- a) Les signatures, ratifications et adhésions reçues en application de l'article XI;
- b) Les notifications reçues en application de l'article XII;
- c) La date à laquelle la présente Convention entrera en vigueur, en application de l'article XIII;
- d) Les dénonciations reçues en application de l'article XIV;
- e) L'abrogation de la Convention, en application de l'article XV;
- f) Les notifications reçues en application de l'article XVI;

ARTICLE XVIII

L'original de la présente Convention sera déposé aux archives de l'Organisation des Nations Unies.

Une copie certifiée conforme sera adressée à tous les États Membres des Nations Unies et aux États non membres visés par l'article XI.

ARTICLE XIX

La présente Convention sera enregistrée par le Secrétaire général des Nations Unies à la date de son entrée en vigueur.

Suivent les noms des signataires pour: L'Australie, la Bolivie, le Brésil, le Canada, le Chili, la Chine, la Colombie, le Danemark, la République Domi-

Egypt, El Salvador, Ethiopia, France, Guatemala, Haiti, Honduras, Iceland, Israel, Liberia, Mexico, Norway, Pakistan, Panama, Paraguay, Peru, Philippine Republic,* United States of America, Uruguay, Yugoslavia.

Since the authentic text was printed the following additional countries have signed or acceded to this Convention:

Signatories for: Belgium, Burma, Byelorussia,* Cuba, Czechoslovakia,* Greece, India, Iran, Lebanon, New Zealand, Sweden, Ukraine,* U.S.S.R.*

Accessions deposited by: Bulgaria,* Cambodia, Ceylon, Costa Rica, Hashemite Jordan, Korea, Laos, Monaco, Poland,* Roumania,* Turkey, Viet-Nam, Saudi-Arabia, Nicaragua, Hungary.*

NOTE.—Countries marked * have made reservations.

nicaine, l'Équateur, l'Égypte, le Salvador, l'Éthiopie, la France, le Guatemala, Haïti, le Honduras, l'Islande, l'Israël, le Libéria, le Mexique, la Norvège, le Pakistan, le Panama, le Paraguay, le Pérou, la République des Philippines,* les États-Unis d'Amérique, l'Uruguay, la Yougoslavie.

Depuis le moment où le texte a été polycopié les pays suivants ont signé cette Convention ou y ont accédé:

Liste des pays qui ont signé: La Belgique, la Birmanie, la Byelorussie,* le Cuba, la Tchécoslovaquie,* la Grèce, l'Inde, l'Iran, le Liban, la Nouvelle-Zélande, la Suède, l'Ukraine* et l'U.R.S.S.*

Liste des pays qui ont accédé: La Bulgarie,* le Cambodge, Ceylan, Costa Rica, la Jordanie Hachémite, la Corée, le Laos, Monaco, la Pologne,* la Roumanie,* la Turquie, le Vietnam, l'Arabie Saoudite, le Nicaragua et la Hongrie.*

NOTE:—Les réserves sont indiquées par un astérisque

APPENDIX "B"

GENOCIDE CONVENTION

Countries which have signed but
which have not yet ratified:

Bolivia
*Byelorussia
Canada
Burma
Chile
Colombia
Cuba
Dominican Republic
Greece
India
Iran
Lebanon
Mexico
New Zealand
Pakistan
Paraguay
Peru
Sweden
United States of America
*Ukraine
Uruguay
*U.S.S.R.

Countries which have ratified
or acceded:

Australia
Belgium
Brazil
*†Bulgaria

* With reservations.

† Non-members of U.N.

†Cambodia
†Ceylon
China
Costa Rica
*Czechoslovakia
Denmark
Ecuador
Egypt
El Salvador
Ethiopia
France
Guatemala
Haiti
†Hashemite Jordan
Honduras
*†Hungary
Iceland
Israel
†Korea
†Laos
Liberia
†Monaco
Nicaragua
Norway
Panama
*Philippine Republic
Poland
†Roumania
Saudi Arabia
Turkey
†Viet-Nam
Yugoslavia

May 8, 1952.

Canada, External Affairs Standing
Committee on, 1952

HOUSE OF COMMONS

Sixth Session—Twenty-first Parliament, 1952

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. BRADETTE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

TUESDAY, May 13, 1952

Supplementary Extradition Convention between the United States and
Canada

REPORT TO THE HOUSE

WITNESSES:

Hon. S. S. Garson, Minister of Justice; Mr. F. P. Varcoe, Deputy Minister of Justice; Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs and Mr. Price Erichsen-Brown, Legal Adviser, Department of External Affairs.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1952

REPORT TO THE HOUSE

WEDNESDAY, May 14, 1952.

The Standing Committee on External Affairs begs leave to present the following as a

FOURTH REPORT

On May 7, 1952, the House referred to the Committee the following Resolution:

Resolved, That it is expedient that the Houses of Parliament do approve the Supplementary Extradition Convention between the United States of America and Canada, signed at Ottawa on October 26, 1951, amending the Supplementary Extradition Convention between the United States of America and Her Britannic Majesty, signed at Washington on December 13, 1900, and that this House do approve the same.

Your Committee has considered and approved the above mentioned Convention and the Resolution based thereon.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, May 13, 1952.

The Standing Committee on External Affairs met at 8.30 o'clock p.m. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Bater, Bennett, Bradette, Churchill, Coldwell, Croll, Decore, Fleming, Fraser, Graydon, Jutras, Lesage, Low, MacDougall, MacKenzie, McCusker, Murray (*Cariboo*), Quelch, Richard (*Ottawa East*), Stick.

In attendance: Hon. S. S. Garson, Minister of Justice; Mr. F. P. Varcoe, Deputy Minister of Justice; Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs and Mr. Price Erichsen-Brown, Legal Adviser, Department of External Affairs.

The Chairman presented the Second Report of the Sub-Committee on Agenda and Procedure as follows:

Your Sub-Committee recommends,

1. That Dr. Watson Kirkconnell be not called during the present session of Parliament.
2. That the Committee meet on Tuesday, May 13, at 8.30 o'clock p.m.
3. That Messrs. McIlraith and Cavell be heard by this Committee, in the near future, concerning the Colombo Plan.

The report was adopted.

The Supplementary Extradition Convention between the United States of America and Canada, signed at Ottawa on October 26, 1951, was considered by the Committee.

A copy of the Convention was placed on the record. *See Appendix "A" to this day's Evidence.*

Article I was called.

Mr. Garson, assisted by Mr. Varcoe and Mr. Moran, explained the wording and purpose of the Convention and was questioned thereon.

Mr. Fleming moved,—That the consent of the respective provinces be sought immediately to the tabling in this Committee of the correspondence between them and the Federal Government in relation to this Convention. *See Appendix "B" to Evidence.*

Motion negatived on the following division: Yeas—4, Nays—12.

Agreed,—That correspondence between private organizations and the Federal Government, concerning this Agreement, be put on the record.

On motion of Mr. McCusker,

Resolved,—That the Convention be considered by Articles.

Articles I, II, the preamble and the Convention were adopted.

The Chairman was instructed to report to the House the Convention and the Resolution based thereon, as approved by the Committee.

At 10.10 o'clock p.m. the Committee adjourned to the call of the Chair.

E. W. INNES,
Clerk of the Committee.

EVIDENCE

MAY 13, 1952.

8:30 p.m.

The CHAIRMAN: Gentlemen, we have a quorum. Before we proceed, I will ask the secretary to distribute copies of the brief which was sent in by the United Nations Association in Canada under date of May 9, 1952; and then we will go on with the supplementary convention to the supplementary convention between Her Majesty and the United States of America for the mutual extradition of fugitive criminals signed at Washington, December 13, 1900.

We had a meeting of the steering committee on Monday morning in my office and due to the fact that Mr. Kirkconnell, president of Acadia University, could not come to Quebec until the 5th, 6th or 7th of June, it was decided that we would not call him to appear before our committee during the present session. It was also decided that we would try to hold a meeting of the committee at which Mr. McIlraith and Mr. Cavell would be present; we hope to be able to sit either tomorrow, or not later than Friday of this week. This evening we have with us the Minister of Justice who will make a statement first on the convention which you have before you at the present time.

I will call it article 1.

Hon. Mr. GARSON: This article 1 was provided for in a supplementary convention which was signed at Ottawa on October 26, 1951; as a supplementary convention to the supplementary convention between Her Majesty and the United States of America for the mutual extradition of fugitive criminals signed at Washington, December 13, 1900.

The principal provision of this supplementary convention of October 26, 1951, is contained in the said article 1 thereof. I have a copy of the convention here and I think I might read article 1 as follows:

The enumeration numbered 11 in Article I of the Supplementary Extradition Convention signed on December 13, 1900, between the United States of America and Her Britannic Majesty, is hereby amended to read as follows:

11A. Obtaining property, money or valuable securities by false pretences or by defrauding the public or any person by deceit or falsehood or other fraudulent means, whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretence.

11B. Making use of the mails in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretences.

The object and purpose of this 11A amendment is to extend the extradition treaty to cases which are outside the strict definition of false pretences as contained in section 404 of the Criminal Code of Canada. Would you like me to put that definition on the record?

Mr. Low: It would be just as well.

Hon. Mr. GARSON: Yes, I think so, and therefore quote:

404. A false pretence is a representation, either by words or otherwise, of a matter of fact either present or past, which representation is known to the person making it to be false, and which is made with a fraudulent intent to induce the person to whom it is made to act upon such representation.

Now, this wording in the new 11A of the supplementary convention as I have said will extend the extradition treaty to cases which are outside of a strict definition of this section 404 which I have just read. You will notice in particular two things that the present section 404 requires proof of; first, the false representation must be made with regard to matters of fact, present or past; and that does not include future facts which figure so largely in these stock selling frauds; second, the false representation must be known to the person making it to be false. That is a point which it is sometimes very difficult to prove. Now, by reason of this change in the treaty, these two requirements will not necessarily have to be satisfied. The effect of this substitution in this new paragraph 11A for the previous paragraph 11 is to render extradictable offences against section 444 of the Criminal Code (except the offences of affecting the public market price of securities and goods) which were not previously extradictable. Section 444 of our Criminal Code reads as follows:

444. Every one is guilty of an indictable offence and liable to five years imprisonment who, by deceit or falsehood or other fraudulent means, defrauds the public or any person ascertained or unascertained, or affects the public market price of stocks, shares, merchandise, or anything else publicly sold, whether such deceit or falsehood or other fraudulent means would or would not amount to a false pretence as hereinbefore defined.

In other words, in order to get a conviction under section 444 you do not have to prove that the fraud charged amounts to a false pretence within the definition in section 404 which I read previously.

Now, the new paragraph 11B of the supplementary convention that is the second one which I read extends the extradition to making use of the mails in connection with the schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretences. I have already read out to you the actual text of this section 11B set out in the treaty and I don't think it is necessary for me to repeat it. The relevant provision of the Criminal Code which is the analogue in the code of this clause is section 209 which reads as follows:

Every one is guilty of an indictable offence and liable to two years' imprisonment who makes use of the mails for transmission or delivery by or through the post...

- (c) "Any letter or circular concerning schemes devised or intended to deceive and defraud the public, or for the purpose of obtaining money under false pretences."

The effect there will be that any person who commits an offence against these provisions of the Criminal Code and who is found in the United States may, at the request of Canada, be returned to Canada for trial and punishment; and similarly, persons found in Canada accused of offences against corresponding provisions of the laws of the United States may, at the request of the United States, be extradited for trial and punishment in that country.

The corresponding provisions in the United States law which are the analogues to these Canadian sections I have just read are as follows:

17. (a) It shall be unlawful for any person in the sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly—

- (1) to employ any device, scheme, or artifice to defraud, or
- (2) to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or
- (3) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser. (Securities Act, 1933).

Then the American analogue to the reference I gave you to the reference in our Criminal Code to the use of the mails for fraud is the United States Mail fraud statute which reads as follows:

Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretences, representations or promises, for the purpose of executing such scheme or artifice or attempting so to do, places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Post Office Department, or takes or receives therefrom, any such matter or thing, or knowingly causes to be delivered by mail any such matter or thing, shall be fined not more than \$1,000 or imprisoned not more than five years, or both.

Now, I have laid before you in those sections which I have quoted, the relevant portions of the treaty, of the Canadian law, and the American law, and I think you can see from them that the principle of what is called double criminality has been carefully observed—that is to say that before anyone can be extradited from the United States into Canada to stand trial in Canada on a charge under those sections that I have named, he must first be taken before an American court and that court must be satisfied that there is a *prima facie* case against the man under their law before he can be extradited to Canada to stand trial under the Canadian analogue of their law.

Mr. DECORE: That is in the case of an American citizen?

Hon. Mr. GARSON: That is in the case of an American citizen. Yes, that is a very correct qualification. It also applies the other way about. No Canadian citizen can be extradited to the United States unless the Canadian citizen is brought before a Canadian court and it is shown that there is a *prima facie* case against him under the relevant sections of the Canadian Criminal Code. If that *prima facie* case is made out an extradition order is made by the Canadian court. Then he is taken to the United States and he is charged there under the analogous provisions of their law which I have read to you. If he is convicted of course he has to stand punishment. If he is acquitted he must be discharged and cannot be tried in that country for any other offence.

I understand, although I am getting a little out of my field in this because I had no part in the negotiations, I understand that one of the reasons why the negotiation between the two countries for this failed of consummation on previous occasions is that the Americans were asking that there should be included in the treaty the power for them to try Canadian citizens, for example, upon breaches of their Securities Act for which we had no analogous

prohibition in Canada. That would involve the principle of single criminality—that is a man would be tried because of criminality in the United States for which there was no corresponding criminality in Canada. We have always stoutly resisted that principle and it was not until the American negotiators and the American government were prepared to recognize the principle of double criminality and embody it in the treaty we are now discussing that the treaty was made.

Mr. LESAGE: Mr. Garson, could I ask you to go back to the definition in 444?

Hon. Mr. GARSON: Yes.

Mr. LESAGE: And analyze its wording in regard to the wording of IIA?

Hon. Mr. GARSON: Well, 11A reads: "Obtaining property, money or valuable securities by false pretences or by defrauding the public or any other person by deceit or falsehood or other fraudulent means, whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretence."

444 reads: ". . . by deceit or falsehood or other fraudulent means, to defraud the public or any person, ascertained or unascertained, or to affect the public market price of stocks, shares, merchandise, or anything else publicly sold, whether such deceit or falsehood or other fraudulent means would or would not amount to a false pretence as hereinbefore defined."

Now, I think you will find the main and substantial difference between the two of them is "or to affect the public market price of stocks, shares, merchandise . . ."

Mr. LESAGE: Yes.

Hon. Mr. GARSON: That would be excluded by the terms of the treaty, as I previously pointed out.

Mr. FLEMING: Mr. Chairman, may I ask Mr. Garson a few questions. Where did the request for this supplementary convention emanate from, Mr. Minister? Canada or the United States?

Hon. Mr. GARSON: Well, I am afraid the Justice Department has no knowledge of that, but I think there was certainly a demand for it in Canada—whether there was in the United States I do not know.

Mr. FLEMING: Can we clear that point up with Mr. Moran?

Mr. MORAN: Yes, Mr. Chairman, a request came from the State Department through the Canadian Embassy to the Department of External Affairs—that is the channel in which a U.S. request came to the Canadian government.

Mr. FLEMING: This matter arose out of the desire on the part of the United States, not any initial desire on the part of Canada for an amendment to the existing extradition convention—that is quite clear?

Mr. MORAN: I would not have gone that far. I would have said that it was the desire of both sides. There had been representations made to Ottawa from parties in Canada about a type of operation which was going on, and these supplemented the requests which came from the United States seeking some action which would make it possible to bring these people before the courts.

Mr. FLEMING: Well, there must have been a common desire; otherwise, there would not have been this request on behalf of both countries. What I am trying to get at was that the genesis in this was in the United States, was it not?

Mr. MORAN: I cannot go back before 1946. I cannot take you back to the days of the treaty that was before this committee in 1945 but, as I understand it, there were clauses in that 1945 treaty which were objectionable from a Canadian standpoint.

Mr. COLDWELL: Wasn't there a treaty before it, earlier than that—in the late thirties?

Mr. MORAN: This was the proposed new treaty I am speaking of and there were clauses in that agreement which were objectionable from a Canadian standpoint with the result that treaty was never signed.

Discussions between the United States and Canadian authorities took place periodically from 1946 until 1951 on the problems that were arising out of the actions of what had commonly come to be called, "share pushers" and the last meeting between the Canadian and the United States authorities at which these amendments were drafted took place in the spring of 1951.

Mr. FLEMING: Now, what is the experience of the Department of Justice in respect of the needs of such a convention so far as Canada is concerned, leaving out for the moment the request from the United States Department of State?

Hon. Mr. GARSON: I think we might possibly hear from Mr. Varcoe who talked with the Ontario authorities and the Ontario authorities, as my hon. friend knows, would be charged with the responsibility of administering justice in that province and took part in the discussions leading up to this treaty.

Mr. VARCOE: Well, that is the fact. Ontario representatives took part in the discussions which resulted in this arrangement. They expressed a wish for it. They were the only persons, I think, who did make any representations in that connection.

Mr. FLEMING: Well, were you made aware that from their experience they indicated a need for this as far as the enforcement of the law of this country is concerned in the province of Ontario?

Mr. VARCOE: Well, they did not furnish any statistical material, if that is what you mean, but they indicated that this was from their point of view a desirable thing to do.

Mr. FLEMING: You have not any more information than that?

Mr. VARCOE: No.

Mr. FLEMING: Was there something Mr. Varcoe was going to add?

Mr. VARCOE: I do not know if there is anything I could add. Mr. Magone, the Deputy Attorney General, made some representations of a general character to the group who discussed this matter, that is, the American and Canadian representatives, and he expressed a wish that this should be done.

Mr. FLEMING: In its present form?

Mr. VARCOE: Oh yes, he was right there at the time. They saw the final draft of the proposal.

Hon. Mr. GARSON: May I ask a question of the questioner? I rather gather from Mr. Fleming's question that he was asking as to whether the Ontario government was anxious to get this treaty from the standpoint of extraditing Canadian in the United States back into Canada?

Mr. FLEMING: Yes.

Hon. Mr. GARSON: But then the Ontario government could also be interested in clearing up a situation in their own province?

Mr. FLEMING: That is right.

Hon. Mr. GARSON: It may have been for the second reason that they were interested in co-operating with us.

Mr. FLEMING: I wish we could get at the facts there as to what the experience actually has been. Apparently we have not got any more than a general statement that the Ontario government through the Deputy Attorney General was acquainted with what was going on and has supported this convention.

Mr. STICK: What more facts do you want?

The CHAIRMAN: Do you mean presentation in a written form?

Mr. FLEMING: No, I am just trying clear up what the fact is. We have a general statement but nothing further.

Mr. VARCOE: I think it is quite fair to say that the Ontario Securities Commission were under some pressure from the United States in connection with alleged practices that occurred in the province of Ontario and that they were anxious to meet that situation to some extent.

Mr. FLEMING: Well, so far as your information extends, then, Mr. Varcoe, it gets back to offences for which the American authorities are anxious to extradite persons from Canada to the United States?

Mr. VARCOE: I think that was the genesis, as you put it, of the discussions, all right.

Mr. FLEMING: There was not anything indicated here in the experiences of the Ontario Securities Commission that indicated that there were offenders whom they were anxious to extradite from the United States into Canada for purposes of prosecution here?

Mr. VARCOE: I cannot recall that there was any specific case mentioned.

Mr. MORAN: I think there were two principal causes of the Ontario interest in reaching some mutually satisfactory arrangement between the two countries. First, there was a direct channel between the Securities Exchange Commission in Washington and the Ontario Securities Commission in Toronto through which they exchanged information about the type of literature which was flooding United States cities and between them these two bodies were trying to work out some arrangement to correct what both sides agreed was an extremely bad situation.

The other interest of the Ontario authorities was that adverse publicity for Canada and particularly for Ontario and Toronto was developing in the United States from press articles telling of the experiences of Americans with some brokers operating in Canada. Certainly from the representations that the Ontario people made when they were down here they were as anxious as anyone to correct the situation and were quite conscious of the prejudicial effect on Ontario of the publicity which they were acquiring in the United States press.

Mr. FLEMING: Now, take 11B—I do not want to monopolize this if Mr. MacDougall wishes to ask a question, but I have some more questions.

The CHAIRMAN: Is it something along the same lines, Mr. MacDougall?

Mr. MACDOUGALL: Yes, along similar lines. It seems strange to me that Ontario should be the only province out of ten provinces in Canada who is making this request and in making it it would seem logical that the other provinces should have had an opportunity—maybe they did; I don't know—that the other provinces should have an opportunity of presenting their cases either for or against.

Additionally, on top of that, I do not suppose really anybody should take the matter under discussion at this stage other than barristers and solicitors, but listening to the reading of 404 and 444 by the hon. minister and the amendments, if you might term them such, that are added under 11A and 11B, it seems to me as a layman that even with those amendments that all a person has to do "duck the punch" is to state that he did not know that he was committing a false pretence or that he was making a fraudulent statement at the time that he made it. If he maintains that before the court, then nothing can be done, regardless of whether those two classes are dated or not.

Mr. LESAGE: It is just the other way around.

Mr. MACDOUGALL: Am I right in that?

Mr. LESAGE: No. It is just the other way around.

Mr. MORAN: As to the first part of the question, all the provinces of Canada were aware of the proposals which were being discussed between Canada and the United States, and a copy of the draft was made available to the provincial authorities of each province of Canada, and their comments were solicited and received.

Mr. Low: Were those comments favourable to the convention, or was there some opposition?

Mr. MORAN: There was no opposition. The draft was made available to the Toronto and Montreal stock exchanges, to the Winnipeg and Vancouver stock exchanges, to the Investment Dealers' Association of Canada, and to the Broker-Dealers' Association. As far as the provinces were concerned, Quebec replied that they had no comments to offer, or amendments to propose. And Ontario, as mentioned previously, participated in the discussions here in Ottawa. Prince Edward Island and Newfoundland both replied that they had no objection. New Brunswick and Nova Scotia indicated that from their standpoint the text was satisfactory, and British Columbia, Alberta, and Saskatchewan had no objection; in the case of Manitoba, I believe Mr. Varcoe, that there was no reply.

Mr. VARCOE: That is correct, there was no reply.

Mr. Low: As to the second part of Mr. MacDougall's question, perhaps the Minister of Justice might answer.

Mr. FLEMING: Might I interrupt for a moment, if you please. I think it would be not only interesting to the committee but very valuable if we had made available to us the letters written to those various associations and governments of the provinces, as well as the replies.

Mr. MORAN: I think there would be no difficulty in making available in the record immediately the letters to the associations and their replies; but normally, and it is a practice of courtesy rather than of protocol, we should first seek permission of the provincial governments before making public their correspondence.

Mr. FLEMING: I do not agree that that should be necessary. If it is regarded as necessary and desirable, I think it ought to be done, Mr. Chairman, because the enforcement of this matter is going to be in the hands of the provinces; and it has been indicated that the province of Ontario had a direct interest in the negotiation of this convention, and I think that correspondence would be very instructive to the committee. Therefore I suggest that if it is felt necessary to obtain the consent of the provinces, that that should be initiated at once; and so far as the associations are concerned, as Mr. Moran mentioned, I suggest we have the correspondence, both the letters written to those associations and their replies made available to the committee now.

The CHAIRMAN: We could have another letter written by the Federal Government to the provinces.

Mr. COLDWELL: Is it necessary to get the consent of the province?

Mr. FLEMING: No, it is not a matter of consent, but rather a matter of getting all the help we can to throw light on the problem.

Mr. COLDWELL: No, I mean to get the consent of the provinces to have their letters placed on the record. That appears to be something which has crept in over the last few years, during the war. I think it crept in then; and before that I have a recollection of letters being filed without the consent of the provinces first being given.

Mr. FLEMING: I had occasion to cite, only last week, a case where a letter from the Secretary of State for External Affairs was read in the Ontario legislature, at their recent session; and the Secretary of State, when he was

here, indicated there had been no consent given on his part. Apparently the feeling in the Ontario legislature at that time was that no consent was necessary because it was a letter in which the Secretary of State for External Affairs was asking the Ontario government to take certain action with respect to certain legislation which the premier of the province was introducing in the legislature. Here you have, it seems to me, a very similar situation. It has been represented to us that at least one province has made representations in support of this convention. I do not think it should be necessary to go through the procedure of obtaining consent, surely, of that government to make its views known to this committee. We have already had an oral statement of them. Surely a statement of their views in a letter from a province would be altogether desirable.

Mr. MURRAY: Is this not an attempt to stop swindling and the fraudulent sale of shares and so on? Everybody is interested in stopping. I do not think we should stand on any ceremony. Everybody knows that Bay street is infested with illicit operators, and that it is hurting the mining interests of British Columbia, and it is hurting them in my own riding, by the most atrocious statements being made, or perhaps I should call them exaggerated statements.

The CHAIRMAN: In all the years I have been in the House, it has always been a safeguard which the Federal Government took in all instances when there was correspondence involved between the central government and the governments of the different provinces. They always maintained that safeguard. That is my recollection of it over the years.

Mr. COLDWELL: I think you will find that prior to the war that was not so. I think it was introduced by Mr. King during the war; and in the 1930's we did not bother, unless it was something of a confidential nature.

Hon. Mr. GARSON: If it is of a confidential nature, you would not want to table it. I think, speaking as an ex-provincial cabinet minister myself, that as such I would rather have judged as to the confidential nature myself than let the federal government do it for me. It is a case of the old question of where to draw the line. You do not know where to draw the line until you consider the specific matter that you are going to table. I think consultation is a courtesy which is very much appreciated by the provincial governments, in matters which, in my opinion, I think we should let them decide.

Mr. COLDWELL: Do you think that this is objectionable?

Hon. Mr. GARSON: No, I do not think they would resist it for a minute; but after all, it is their communication and who is a better judge of what is confidential than the person who wrote it?

Mr. MACDOUGALL: Were the answers which came to the federal government in connection with this convention designated as being confidential by the provincial attorneys-general, or were they just general correspondence?

Hon. Mr. GARSON: I think it is quite conceivable—and I am not suggesting that this applies to the present case—that correspondence may take place of a confidential nature, without having it designated that way or marked on the letter as being confidential. I think the best judge of whether a provincial communication is confidential is the provincial government.

Mr. MORAN: They were marked confidential at that time because the texts had not been made public here in Canada or in the United States. Therefore the correspondence transmitting them was confidential and the replies were marked confidential; but we are in no position to know whether some of the material in the letter might be regarded as confidential for other reasons.

The CHAIRMAN: I think in this case it would be in order to read the letter which was sent by the central government to the provinces. We could have that read into the record now; and later on, after we get the consent of the provinces—

Hon. Mr. GARSON: They would never object to it; but I think they should be asked.

Mr. GRAYDON: If we are going to have any correspondence put in the record, I think we should have all or nothing, because if a federal government's letter to the provinces is put in the record, I think there would be a presumption that there should be put in as well the replies which were made thereto.

The CHAIRMAN: All the provinces agreed to the letter which was sent to them by the federal government.

Mr. RICHARD: There was a statement made a few minutes ago which I think should not be allowed to go unchallenged on the record. I think the purpose of this treaty and the desire of the province of Ontario is to clear the air, to be able to show the public of the United States that the Securities Commission of Ontario is trying to do a good job and that we have good securities in this province and a good stock market in Toronto and that there are only a few people who do not do the right thing, and it is up to the American people to produce them if they have them on their side of the fence, but that we are trying to do a good job to keep them away.

Mr. GRAYDON: I agree with what Mr. Richard has said and I do not think Mr. Murray meant so sweepingly what he said. I do not think we should attempt to blacken a profession or a vocation such as the Toronto Stock Exchange or any other stock exchange in Canada, because no matter what vocation or profession you have, you will always find a few who would put themselves in the position where they have to be disciplined. That is human nature. I think it would be grossly unfair to suggest that so far as our stock exchanges here are concerned, that we do not have a very high record of honesty and square dealing so far as securities are concerned, and I would not like to see that go out as an indication that the whole vocation of stock transactions, brokers and so on were tarred with the same brush as some of those who were conducting irregular transactions in connection with it. My understanding is that in Canada we have built up perhaps as good a group of men who are engaged in the stock brokerage business as there are in the world. I do not think we take a back seat to anyone in the world, and I think Mr. Murray would be the first one to admit that.

Mr. MACKENZIE: Well, Mr. Chairman, we all have recollections of quite prominent men being prosecuted for fraudulent stock dealings.

Mr. FLEMING: Where frauds are committed in Canada, they will be prosecuted under the laws of this country. What we are dealing with here is something different. It is a matter of extradition and I suggest, particularly having regard to the experience this committee had in 1945 with a previous similar convention, that we want to assure ourselves of having all the available information before us in proceeding here, and as the views of the provinces will be, I think, extremely valuable, particularly in the light of their own experiences in enforcing the law, and their own wishes as to changes in the law, that we should seek at the earliest possible moment the consent of the provinces if it is considered necessary to the tabling of this correspondence and making it available in the committee, and we should also have the correspondence exchanged with the various organizations that Mr. Moran mentions, all of whom have experience in this field and which will also be of use to the committee.

Mr. MURRAY: I would point out, Mr. Chairman, that there is not a reputable mining man in the country that won't tell you that if all the money that was raised went into the development of the mine or the oil operation, or a fair share of it, that there would not be the need for this legislation. The reserves of Canada are so widespread and so rich that it is not necessary to exaggerate or to defraud the people, and the reputation of Canada, particularly in the United States, is very good, and naturally anyone coming in with a project,

coming into the west or into the north or elsewhere, gets a good hearing and we would only help our own industry by making this as tight as possible, so that we would discontinue that sort of thing. It has held us back for many years.

The CHAIRMAN: Of course in the province of Ontario they have a provincial department which is quite a watchdog, too.

Mr. MURRAY: The provincial department in Ontario has not been able to cope with this, and the newspapers of Toronto will approve of this treaty, especially the financial papers.

Mr. FLEMING: Mr. Chairman, there is an apprehension here about the effects of this, and I think the way we can clarify the situation is to get this information and correspondence before us. I have asked, Mr. Chairman, that that should be done.

Mr. COLDWELL: What Mr. Fleming is asking for, I take it, is for the opinions of the provinces on this matter. I mean there is no implication that the provinces have any right—I will use the word “right”—to advise us that this treaty should not go into effect because they disagree with it. What I have in view is that there is nothing in the request implying that the provinces have anything to say on a treaty of this description.

Mr. FLEMING: I do not think there is any suggestion of that here, but the provinces under the law of this country are responsible for the administration of justice, including the administration of the Criminal Code in relation to fraud and other offences of the kind that have been mentioned, and this extradition treaty is not going to change the law of this country with respect to any offence committed in the provinces. This is going to get at the case of bringing people across the line, either way, and apparently the desire is mostly on the part of the American authorities to bring people over there for trial in American courts. Now, the provinces have all had experience with this situation. Their experience is useful to this committee and their views on this, I think—not with the suggestion that there is any right to veto on their part—would be of value to the committee.

Mr. COLDWELL: I full agree with you on that.

Mr. FLEMING: And similarly with these organizations in this field—their views, I think, would be extremely valuable. This committee thought the views of such organizations in 1945 were so valuable that they heard them in this committee, and I think we would want to know those views. If they are not fully set forth in letters I think we would certainly want to ascertain their views, not with any suggestion of veto on their part, but mainly to get the clearest possible understanding of this problem.

Mr. CROLL: If I recall, when they were brought before this committee in 1945 it was on an altogether different treaty than that which has been presented here today.

Mr. FLEMING: We had that made clear to us at the beginning in the statement that was made—we understand this is a different treaty, but I think we all want to understand very clearly what is involved in it. Before you came in, Mr. Croll, Mr. Garson was reading these two amendments, 11A and 11B of the enumeration in article I and comparing them with the provisions of the Code. I think we want to get all the light we can on this question for our own instruction.

Mr. LESAGE: I believe the comparison between 11A and section 444 is quite clear. They are both in identical terms, identical wording, and if I understand aright, and I would like to be corrected if I am not right, before anybody could be extradited to the United States, a *prima facie* case of an offence under section 444 would have to be shown to the justice here in Canada before he would pronounce the extradition. Am I right, Mr. Garson?

Hon. Mr. GARSON: That is what I said.

Mr. FLEMING: Could we have the correspondence?

The CHAIRMAN: As to the correspondence, I would not think that we should have the whole of it. Personally, I think we should carry on with the convention at the present time, particularly when we figure that the provinces have agreed to this—all but one—and the fact that they did not answer may have been an indication that they were in favour of it; so there is no conflict there and I think that we can proceed with the convention. It would take quite a while to contact all the provinces to get their consent or all the consents to produce that correspondence here.

Mr. FLEMING: Well, Mr. Chairman, can we not have now the correspondence which I believe Mr. Moran has with him, exchanged between the federal government and the various organizations. We could at least clear that up, there would be no objection to that.

Mr. COLDWELL: Unless it is marked confidential.

Mr. MORAN: They were not marked confidential.

Mr. MURRAY: I should expect, Mr. Chairman, that those should be put on the record now, those from the Broker-Dealer Associations, if they are available.

Mr. FLEMING: These various associations. Could we have put on the record first of all, the correspondence exchanged, the letters written by your department, Mr. Moran?

Mr. MORAN: Yes.

Mr. FLEMING: Then it is simple, Mr. Chairman, to do that. I again propose to ask for the tabling of the correspondence with the provinces. I see no reason why we should not seek to have that available to the committee, particularly on the references that have been made here. I think there should not be any question about our obtaining and having made available to the committee written communications. If the consent of the provinces is desirable I think we should seek that at the earliest possible moment.

Mr. COLDWELL: Now I wonder if Mr. Moran, or someone, could give us a summary of what the letters contain?

The CHAIRMAN: That has been done.

Mr. COLDWELL: Yes, we have already had that. I can see no objection.

Mr. CROLL: I was going to say this, that perhaps in some cases it may take a little more time than in others because now we may find one attorney general at any rate on a by-election or a general election, and has not available the time necessary in which to give this matter consideration.

Mr. FLEMING: I do not see why we should not be able to get consent in the matter of a couple of days; that is done in the House when they table correspondence.

Mr. CROLL: We get an order in a couple of days, but here we have the case of Manitoba from which no reply has yet been received.

Mr. MORAN: Mr. Chairman, some indication of the time involved may be given by our experience with Mr. Fleming's request at an earlier meeting that we obtain consent to table in this committee the exchange of correspondence with Ontario on the subject of trucking in bond. This was when Mr. Pearson was before the committee. I think it was two weeks ago, and my minister indicated his willingness to do that. A letter went to the province of Ontario that afternoon and the reply was received only this afternoon.

Mr. FLEMING: As I recall it, that was just last week, within a week or so.

The CHAIRMAN: I take it from your remarks, Mr. Fleming, that in your view there was no unanimity of opinion in regard to this convention on the part of some of the provinces, and in other cases there was some difference of opinion; and where there was no answer it should be taken as implying consent, in this case on the part of Manitoba.

Hon. Mr. GARSON: Yes.

Mr. COLDWELL: We have already been told what these letters contained in the way of comment. I cannot see any objection to putting them on the record.

Mr. DECORE: What useful purpose would be served by putting them on the record?

Mr. COLDWELL: Mr. Fleming is asking that that be done. It has been suggested that we get the consent of the provinces.

The CHAIRMAN: We must remember this, that it is a fact, either rightly or wrongly, that there is a very keen sense on the part of some of the provinces of upholding their prerogatives, and some of the correspondence was confidential, and to put it on the records of this committee without their consent would be to invoke some reaction, there would be bound to be some and we have to be very careful on that point. I for one believe implicitly in provincial autonomy. We all do. In this case we should not run rough-shod over any of the provinces and table this correspondence without their consent. As chairman I could not accede to the request to table these letters now, unless we have the consent from all the provinces to do so.

Mr. FLEMING: Then, Mr. Chairman, I would move that the consent of the respective provinces be sought immediately to the tabling in this committee of the correspondence between them and the federal government in relation to this convention.

The CHAIRMAN: If that motion carries it will mean that we will have to stay the deliberations of this committee until we have that consent.

Mr. FLEMING: Well, Mr. Chairman, there will be plenty of time to do that. It is not going to make any difference to the committee. The committee will still be in session. I do not see how it could possibly take more than a week; I think it only took about that long to produce the material to which Mr. Moran referred. As I recall it, that request was made a week ago Friday.

Mr. MORAN: That was on May 2nd.

Mr. FLEMING: And the 2nd of May was 11 days ago and he has the answer here now. This committee is going to be sitting beyond another 10 days and it is not going to take more than 10 days to get these consents.

Mr. JUTRAS: Yes, but there is no reply from Manitoba.

Hon. MEMBERS: Question!

Mr. FLEMING: Surely, we want that information in the committee, Mr. Chairman.

Mr. GRAYDON: Before you put the question I would like to suggest to the officers of the department that perhaps it could be expedited so far as consent is concerned by sending a wire to the Attorney General, indicating the urgency of the necessity of having a reply at once because the committee is anxious to deal with the matter. I cannot see why we should not have the consents in within two or three days. If we do not get the consents in within a reasonable time I for one would feel that perhaps I would not want to wait. But I think what was done on the matter to which Mr. Moran referred a moment ago was that they had written a letter to the Attorney General of the province of Ontario and the urgency of the matter was perhaps not so apparent as it would be made in a wire.

Mr. LESAGE: The sending of wires involves considerable expense.

The CHAIRMAN: It has been moved by Mr. Fleming—do you second that, Mr. Graydon?

Mr. GRAYDON: Yes, I should be pleased to second that.

The CHAIRMAN: It has been moved by Mr. Fleming, seconded by Mr. Graydon, that the provinces should be requested to give permission for the tabling of their correspondence. Those in favour? Opposed?

I declare the motion lost.

Shall we proceed with article I?

Mr. FLEMING: May I ask a question? They did make representation here before the committee in 1945, did they not?

Mr. FRASER: All these other organizations favour this convention?

Mr. COLDWELL: What is the position now? Are we going to table this correspondence?

The CHAIRMAN: No, the motion has been defeated.

Mr. COLDWELL: I voted against it, but I voted against it because I did not want to delay the committee. Now, we have decided not to obtain the consent of the provinces, so what have we got to do? Are we going on with the tabling of the other correspondence?

Mr. GRAYDON: I suppose that would be relatively easy, tabling that correspondence. Mr. Chairman, I take it that there will be an acceptance in this case of the proposal in connection with the tabling of this correspondence here. I imagine there would not be any objection to that. I understand that we are not sending any more telegrams.

Mr. FLEMING: I thought it was clear, Mr. Chairman, that the correspondence Mr. Moran referred to with respect to the various organizations, apart from the provinces, would go into the record here and now. Is that being done?

The CHAIRMAN: It will be done, with the consent of the committee.

Agreed.

Mr. FLEMING: I presume, Mr. Chairman, that we will have an opportunity of perusing that?

Mr. COLDWELL: And we are going to have to be satisfied with the summary given of the contents of the letters from the provinces.

Mr. FLEMING: I am going to ask Mr. Moran, or Mr. Varcoe, or both of them, if they can enlarge on the summaries that have been given so far; they were pretty brief.

Mr. JUTRAS: Anyway we are going to get those letters.

The CHAIRMAN: I think that is a fair question. We have been given a very brief outline of what was contained in the answers.

Mr. VARCOE: That has been given, Mr. Chairman, with the provinces involved.

Mr. FLEMING: You mean all the provinces, or individually?

Some Hon. MEMBERS: No, no.

Mr. CROLL: What you want is the correspondence, is it not?

Mr. MURRAY: Where do these provincial rights come in? This comes from Ontario?

The CHAIRMAN: I believe, from what has been received, that it is pretty clear to us that all of the provinces are in favour of what is being done in this convention. One province, however, did not answer. That was Manitoba. Generally, when you do not receive a reply it is a kind of consent.

Shall we proceed with article I?

Mr. FLEMING: May I ask the question or not?

The CHAIRMAN: It is hard to get a more definite answer than the one we received—unless we read the letters as they are. You want the opinions that were included in the correspondence which was summarized. They were very definite and very favourable.

Mr. FLEMING: You say it is very definite and very favourable but I heard a very brief statement that this province said it was not interested, the next province said it was not interested, and I would like Mr. Varcoe to see if, in regard to the correspondence, he has given as much information as he can to us—with due respect for what has just been decided about not having the letters laid before the committee without the consent of the provinces; but give us a statement of the position taken by each province in regard to this matter for our information. Surely we want what information is available.

The CHAIRMAN: It has already been fairly clearly stated, I believe. Of course, if the members want another statement it would be almost the same.

Mr. LESAGE: If we ask Mr. Varcoe to give us the individual stand of each province that amounts to the same thing as reading the letters.

Mr. JUTRAS: They have already given that; it is their stand and they have all agreed—unless Mr. Fleming was not listening the first time—and if that is the case we could have Mr. Varcoe and Mr. Moran say what they said the first time.

Mr. QUELCH: The suggestion is not to have the correspondence read but to have an interpretation made to the committee.

The CHAIRMAN: Well, do you want to enlarge on the statement you have made?

Mr. DECORE: Let us proceed with article I.

Mr. VARCOE: In looking through these letters I do not see how I can give any more complete an analysis than has been given—without just simply reading the letters.

Mr. McCUSKER: I move we proceed with article I.

The CHAIRMAN: Is that agreeable?

Agreed.

Article I.

ARTICLE I

The enumeration numbered 11 in Article I of the Supplementary Extradition Convention signed on December 13, 1900, between the United States of America and Her Britannic Majesty, is hereby amended to read as follows:

11A. Obtaining property, money or valuable securities by false pretences or by defrauding the public or any person by deceit or falsehood or other fraudulent means, whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretence.

11B. Making use of the mails in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretences.

Shall article I carry?

Mr. FLEMING: No, Mr. Chairman, I have some questions about this if Mr. Garson would not mind. Take 11B first—

The CHAIRMAN: Order, order.

Mr. FLEMING: Take 11B, and from your reading of it with section 209 of the Code, it seems to follow the terms of section 209 much more closely than 11A follows the terms of section 404 and section 444 of the Code?

Hon. Mr. GARSON: I would like to register dissent on that opinion.

Mr. FLEMING: Could we take the comparison of 11B with 209 and understand what changes are going to be made by this in the law as stated in 209?

Hon. Mr. GARSON: There is no change in the law. There may be some differences of opinion that you entertain as to whether they are apt to one another, but there is certainly no change in the law. One is the clause which is in the treaty and the other is a section in the Criminal Code.

Mr. FLEMING: I quite appreciate that, but it is a matter of carrying in—when the minister read 209 it was a case of putting it alongside 11B. Now I am trying to follow the minister. What differences in terminology exist as between 11B and 209? We fully understand that they are for different purposes—one is in a statute and the other is in a convention, but let us see where the essential difference, if any, is between them?

Hon. Mr. GARSON: I wonder if my honourable friend appreciates what to me seems to be the problem in cases of this kind. Is it not the problem of adopting a definition in a treaty between two sovereign powers which, by the use of apt words, will be sufficiently similar to the provisions in one country and also to the provisions in the other that it can be used as the language of that clause of the treaty. Therefore, where you start off with sections in the American law which are worded somewhat differently to the section in the Canadian law you want to have a clause in the treaty which is reasonably applicable to both, and you have to end up with wording that is a compromise between the two—and it cannot be the same as either.

Having regard to that inherent and unavoidable difficulty, I suggest if you on the one hand examine 11B in the treaty and on the other section 209 in the Criminal Code you will see that the draftsman has made a pretty good job of drafting the former.

11B says this: "Making use of the mails in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretences."

209 says: "Everyone is guilty of an indictable offence and liable to two years' imprisonment . . ." and that is just an introduction—who makes use of the mails for . . . transmission or delivery . . . "any letter or circular concerning schemes devised or intended to deceive and defraud the public or for the purpose of obtaining money under false pretences."

Mr. LESAGE: It is the same thing.

Hon. Mr. GARSON: Yes. Now, having regard to the fact that this 11B has also got to be reasonably similar to the corresponding American provision, how much closer would you expect any draftsman to get than the language that is used there?

The CHAIRMAN: Have you any suggestions, Mr. Fleming?

Mr. FLEMING: I am not prepared to make suggestions without having the text of 209 before us. This is the first explanation we have had.

Hon. Mr. GARSON: I have just read 209. Do you want the American provision?

Mr. FLEMING: No, we have it on the record and we can see it there and ponder it over.

Hon. Mr. GARSON: I am quite sure my honourable friend appreciates the problem.

Mr. FLEMING: Yes, you are trying to define an extraditable offence?

Hon. Mr. GARSON: Yes.

Mr. FLEMING: And it has got to be a definition that is acceptable to the two contracting nations?

Hon. Mr. GARSON: Yes, and reasonably similar to the crimes that are defined in the laws of each.

Mr. FLEMING: Now, will you give us, Mr. Minister, the language of article I, subsection 11 now, which these two sections are replacing. We have not got that on the record yet.

Hon. Mr. GARSON: Well, already in the course of my statement—

Mr. VARCOE: Obtaining money, valuable securities or other property by false pretences.

Mr. FLEMING: That is the one I want now, the one you were going to read?

Hon. Mr. GARSON: Yes: "Obtaining money, valuable securities, or other property by false pretences."

As I pointed out, the significance of the change in wording is that the new wording absolves the prosecution from proving the various ingredients of the definition of false pretences that are given in 404—which includes the fact that it must relate to matters of fact either past or present and it includes also that the allegedly false representation must be known to the person making it to be false. Those are the two substantial changes.

Mr. LESAGE: The old article 11 covers only article 404?

Hon. Mr. GARSON: That is right.

Mr. LESAGE: And the new 11A covers the offences under both 404 and 444 and 11B under 209?

Hon. Mr. GARSON: That is right.

Mr. LESAGE: That is exactly what the amendments do.

Mr. FLEMING: When you say "cover" you mean it is intended as a counterpart?

Mr. LESAGE: It covers the offences under those articles in the Criminal Code.

Mr. CROLL: "Counterpart" is the word. That is all right.

Mr. VARCOE: Putting it this way, if a Canadian had committed an offence against 209 at the present time and escaped to the United States he could not be extradited.

Mr. LESAGE: Or against 404 and 444?

Mr. VARCOE: No.

Mr. FLEMING: Now, in the discussions—did you sit in on the discussions, Mr. Varcoe?

Mr. VARCOE: Yes.

Mr. FLEMING: What was the understanding with reference to these sales that we are told are attempted to be made across the border? For instance, we hear a good deal about long distance telephone calls from a Canadian phone to some person in the United States and also letters written from Canadian addresses to American destinations. Now, what was intended to be the effect of this convention in respect of matters of that kind, where there might be some doubt as to whether an offence is committed if false pretences enter into the statements made on the telephone?

Mr. VARCOE: Well, I do not know that you could say that there was any offence committed in the United States, for example, if a person in Toronto telephoned to some person in the United States, but, on the other hand, if a person in Toronto made use of the American mails, that is, sent through the American mails fraudulent literature, they thought that probably this could extradite him to the United States and punish him there.

Mr. FLEMING: And where do they say the offence in that case is committed?

Mr. VARCOE: Well, the offence is committed in the United States if the United States mails are used for that purpose.

Mr. FLEMING: The fact of the letter being in the United States mail when the letter enters the United States is, in their view, the use of the mails for a fraudulent purpose and, therefore, the offence is committed in the United States against the United States law?

Mr. VARCOE: Yes, and it has been held to be the law elsewhere, in Europe; for instance in Great Britain.

Mr. LESAGE: The letter has to be addressed to the United States, though.

Mr. VARCOE: Well, the leading case, as I remember it now, was the case of a broker in the United Kingdom sending a letter to some European country—Sweden, I think it was—and he was extradited for that and tried in Sweden or whatever country it was although he had never been in that country.

Mr. FLEMING: Can you clean up the other point then, Mr. Varcoe, on the long distance telephone calls from a Canadian line to somewhere in the United States?

Mr. VARCOE: Well, my recollection is that we did no think that this would have any effect on that business at all.

Mr. FLEMING: Was that the view shared by the Americans?

Mr. VARCOE: I think it was.

Mr. CROLL: Mr. Varcoe, then it is fair for us to assume that any solicitation that is made either by radio or television as a result of which money comes from the United States will not be covered by this treaty?

Mr. VARCOE: Well, 209 is the only section, you see, that takes any care of any communication by a Canadian or a person in Canada to a person in the United States. The arrangement does not cover any other form of communication.

Mr. FLEMING: What about a telegram?

Mr. VARCOE: Well, a telegram is not the use of the mails. This convention does not cover either telegraph or telephone, as far as I know.

Hon. Mr. GARSON: "Transmission or delivery through the post."

Mr. FLEMING: It is quite clear that representations made across the border by someone in Canada by telephone, telegraph, radio or television would not be within the scope of this treaty and would not be an extraditable offence?

Mr. VARCOE: I would think it would not.

Mr. FLEMING: The mailing of a letter posted in Canada addressed to an American destination would be?

Mr. VARCOE: Yes.

Mr. BENNETT: Of course, that would be if it came within 11A, wouldn't it? No. 11A covers everything.

Mr. McCUSKER: Who is to determine whether it is a fraudulent representation or not—the parties in the United States or the people in Canada? If a brokerage firm makes representations to the United States in good faith, thinking they have something good, and the Americans consider that it is fraudulent, who determines whether it is fraudulent?

Mr. VARCOE: Well, the American authorities can then apply to the Canadian courts for an extradition order and the Americans must make out a prima facie case there.

Mr. McCUSKER: Thank you, that clears that up.

The CHAIRMAN: Shall the article carry?

Mr. FLEMING: Mr. Chairman, aren't we going to see this correspondence before we pass on this question?

The CHAIRMAN: I beg your pardon?

Mr. FLEMING: I thought we were going to see this correspondence before we passed on this.

Mr. VARCOE: Correspondence with the associations?

Mr. FLEMING: Yes. I thought the purpose of this was to get some information to assist us with this. There is no use reading the record in another ten days if everything is done now.

The CHAIRMAN: Mr. Fleming, do you want the correspondence to be read now?

Mr. FLEMING: Well, if you are going to attempt to pass on it tonight, Mr. Chairman, then it certainly ought to be read and considered now. I thought what you were going to do was have it printed and let us read it, then have another meeting on this. The last time, you will well recall, Mr. Chairman, the care that was taken about that treaty. We had days and days of sessions and we heard a great many people about it. Now, it is acknowledged that this treaty is not nearly as far-reaching as that. It is to be hoped by all of us that it is not because the other one was very offensive and I think what we want to do in this committee is to satisfy ourselves that we are not committing ourselves to something that we do not fully appreciate the implications of at the moment.

Mr. Low: Mr. Chairman, has the committee received any requests from dealers or institutions or anybody else to be heard before the committee on this matter?

The CHAIRMAN: As far as I know we have not received any. I do not know if any members have received any.

Mr. FLEMING: Well, does anyone know about it, Mr. Chairman, or that there is a hearing on it before the committee?

The CHAIRMAN: Well, only in the ordinary way it was publicized during the last meeting we had saying we are going to sit tonight on this convention.

Mr. FLEMING: I do not suppose any of them know about it.

The CHAIRMAN: Then, reading the letters may be quite satisfactory.

Mr. STICK: It has been on the order paper in the House of Commons for a couple of weeks.

Mr. COLDWELL: Why can't they be read now?

Mr. VARCOE: There are five letters from the broker dealers.

Mr. MORAN: In our filing system there is other correspondence on this file besides the exchange of letters with these associations and, not having anticipated the request, I have not had them flagged; but if the committee would have the patience I am prepared to go through this file and read the correspondence from the brokers. What I am attempting to find at the moment is the original letter sent by the department to the associations with the enclosure which was a copy of this convention.

Mr. FLEMING: Mr. Chairman, would it not be simpler to have those put on record, let us read them, and have another meeting later in the week?

The CHAIRMAN: Of course, we might not have any objection but we thought in this case as the letters are all on a specific subject they should be easy to digest this evening if they are read and we can proceed tonight.

Mr. MORAN: As a sample, one that I have found is a letter of the 9th of October from the Investment Dealers Association of Canada, 11 Jordan Street, Toronto.

Mr. FLEMING: Shouldn't you read your letter first, Mr. Moran?

Mr. MORAN: I have not yet come to that although it is on this file. I thought someone suggested that they would like some indication of the type of letters received and I was going to read this one as an illustration of their form and length. If we are to go through all the correspondence I will find them one by one but I thought it might be of some benefit if I read one letter as an indication of the form the letters have taken.

Dear SIR:

Mr. R. O. Daly, K.C., our counsel, has shown to me in confidence the letter which you wrote him on September 18 regarding the wording of the proposed Convention amending the Extradition Treaty. We understood that this was also received by the counsel for the Toronto Stock Exchange.

We note that it is the hope of your department that our responsible financial Institutions will support a limited Extradition Treaty of this type. We see no reason why the proposed wording of the convention to amend the treaty should interfere in any way with the legitimate business of the Members of our Association.

Yours very truly,

(Sgd.) J. A. KINGSMILL,
Secretary Treasurer.

Mr. FLEMING: May I ask if they had before them a copy of this precise convention at the time?

Mr. MORAN: Yes sir.

Mr. FLEMING: It was sent before October 26, 1951?

Mr. MORAN: Yes. That is what they are referring to when they say "regarding the wording of the proposed convention."

Mr. VARCOE: This correspondence took place before the treaty was signed.

Mr. FLEMING: Did you consult them before the treaty was signed?

Mr. MORAN: Yes sir; this is in reply to our letter of September 18, 1951.

Mr. MURRAY: That body would include most of the reputable bond dealers, the large operators.

The CHAIRMAN: I do not want to create the impression that I want to push through, but we thought that there was such unanimous opinion, and in view of the fact that this convention has been studied by the other provinces, that a reading of some of those letters would be sufficient.

Mr. Low: There are other important things which we should be doing too, Mr. Chairman, and I do not believe it is necessary to spend too much time on this convention. It has been made very clear, and I think the majority of the members of the committee are in favour of recommending it.

The CHAIRMAN: Well, I am entirely in the hands of the members of the committee on that score.

Mr. JUTRAS: There are many committees sitting at the present time and I do not think we should take too much time on this.

The CHAIRMAN: As long as we are all satisfied that there is a quite favourable opinion from the people involved.

Mr. COLDWELL: Apparently there has been no objection made by any province, and if that is the case, surely we should be able to approve it.

Mr. Low: I move the adoption of article II, Mr. Chairman.

Mr. FLEMING: There was a form letter written to them.

Hon. Mr. GARSON: Mr. Chairman, I do not want unduly to influence the decision of the committee at this stage, but I think that I should point out that the brokers who are in business of raising this money in Canada were rather interested in getting a short form of registration in the United States, and the chairman of the American Securities Commission giving evidence in the United States the other day concerning this supplementary extradition convention with Canada said:

I think the committee should be aware of the fact that the commission is giving consideration to providing some kind of short-form registration for small Canadian offerings, and upon ratification of this treaty by both nations would probably proceed to do something along those lines.

I think it would be very much in the interests of the investment industry here that this should be approved as soon as we can, and then they could proceed to get this short-form of registration which is so much desired by the investment fraternity in Canada.

Mr. FLEMING: I think that most of us have probably heard about that matter which the minister has mentioned, and that it was a point referred to as being a hope or a possibility. Is the Canadian government interested in making representations in that behalf, so that if this convention is ratified we may expect the hope therein expressed will be realized?

Hon. Mr. GARSON: Surely.

Mr. FLEMING: Would some recommendations from this committee in that regard be helpful to that end?

Hon. Mr. GARSON: Well, as I understand it,—I did not take part in it myself,—this was one of the topics of discussion in connection with the treaty itself, as was indicated by this statement by the chairman of the American Securities Commission, when he said:

...and upon ratification of this treaty by both nations would probably proceed to do something along those lines.

Mr. FLEMING: He is holding out the hope there that that would be done, and undoubtedly, if it is done, it would be helpful to Canada. There are a good many small issues that would be assisted in this country by that short form of registration.

Hon. Mr. GARSON: I do not know how a man in his position would want to express himself any more explicitly than that because he is talking about the future and he says:

...and upon ratification of this treaty by both nations would probably proceed to do something along those lines.

Mr. CROLL: Is that not a matter for the Department of External Affairs to follow up?

Hon. Mr. GARSON: The first step is to clear this thing up here.

Mr. COLDWELL: At what stage are we now, Mr. Chairman?

The CHAIRMAN: We are still on article I. We are waiting for Mr. Moran to read one or two more letters.

Mr. MORAN: I have our letter of September 18, 1951, which was referred to in the reply which I just read. It reads as follows:

Confidential

OTTAWA, September 18, 1951.

R. O. DALY, Esq., K.C.,
Daly, Thistle, Judson & McTaggart,
25 King Street W., Toronto.

Dear Mr. DALY,

We have been requested by the Investment Dealers' Association of Canada to furnish you with the text of the new extraditable offences as they would be set forth in the proposed Convention to amend the Extradition Treaty. We had previously been directed to furnish this text on a confidential basis to the solicitors for the Canadian Stock Exchanges and for your clients upon request. This text has not yet been made public as the State Department desire to concert a Press Release in Washington with any general release here. In the meantime you will be able to consider the position of your clients. The proposed Convention would delete from the list of extraditable offences the following:

11. Obtaining money, valuable securities, or other property by false pretences,

and would substitute therefor the following:

11A. Obtaining property, money or valuable securities by false pretences or by defrauding the public or any other person by deceit or falsehood or other fraudulent means, whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretence.

11B. Making use of the mails in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretences.

For your additional information I may say that the purpose is to enable extradition for fraud under the federal laws of both countries. The rule of double criminality would be retained and applications for extradition would be based either on Section 444 of the Canadian Criminal Code (1948 amendment) and Section 17(a) of the U.S. Securities Act, 1933, or upon Section 209(c) of the Canadian Criminal Code (1951 amendment) and the U.S. Mail Fraud Statute (18 U.S.C. 1341).

In our view there will remain no possibility of any Canadian being extradited for any technical breach of United States laws such as was suggested in 1945. The operations of certain promoters have been damaging to the reputation of Canada and we would hope that our responsible financial institutions would support a limited Extradition Treaty of this type.

Yours sincerely,
Under-Secretary of State for External Affairs.

The reply to that letter is the one which I previously read into the record, from the Investment Dealers' Association.

A letter in the same form went to McCarthy and McCarthy, solicitors for the Toronto Stock Exchange, and they replied on September 24, as follows:

This will acknowledge receipt of your letter of September 14 dealing with the matter of the proposed amendment to the extradition treaty to provide a limited extradition for security frauds. The subject matter of your letter is being studied and you will hear in connection with this matter shortly.

Yours very truly,

(Sgd) SALTER HAYDEN.

And their next letter was on September 28, and it reads as follows:

With further reference to my letter of September 24, and your letter of September 14, the Toronto Stock Exchange has now had the opportunity of studying the text of the proposed amendment to the Extradition Treaty with the United States, and does not consider it necessary to make any statement in relation thereto.

Yours sincerely,

(Sgd) SALTER HAYDEN.

Mr. FLEMING: To how many others did this general letter which you have read go out?

Mr. MORAN: To those associations which I enumerated at the beginning of the meeting, six in all.

Mr. FLEMING: Did you hear from the other four?

Mr. MORAN: We heard from the other four.

Mr. CROLL: In the same tone, in the same manner?

Mr. MORAN: Yes, they were all generally the same.

Mr. COLDWELL: I think we can proceed.

The CHAIRMAN: Shall article I carry?

Mr. FLEMING: For the completion of the record, Mr. Chairman, would Mr. Moran—I am not suggesting that we need delay on that ground—but to complete the record Mr. Moran put those remaining letters into the record?

Agreed. (*See Appendix B to Evidence*)

The CHAIRMAN: Shall article I carry?

Carried.

Shall article II carry?

Carried.

Shall the preamble carry?

Carried.

Shall I report the convention?

Agreed.

Before we adjourn I want to thank the minister and his officials.

Mr. FLEMING: Before we leave this, might I ask Mr. Garson, in regard to that matter of the listing in short form under the Security Exchange Commission of the United States, do I understand the Canadian government is prepared, following ratification of this extradition convention, to make representations in that behalf?

Mr. GARSON: Yes.

Mr. FLEMING: May I ask Mr. Garson if there is anything in the way of a recommendation to that effect from this committee, if you like, that would help?

Mr. GARSON: I do not think so. I doubt very much whether it would add very much to our representations. You see, as I understand it, this has been part of the discussion already, right from the beginning, this is the course of action we have been following all through the picture.

Mr. FLEMING: At the moment Canada has some bargaining power in this respect. With a view to obtaining the advantage, the hope of which has been held out with respect to this listing in short form, my thought was that we might strengthen the hand of the government in getting whatever bargaining advantage for Canada there is in this matter.

Mr. GARSON: Well, I do not know what my hon. friend means when he talks about bargaining power. The treaty has been signed by the United States government and ratified by Congress there. It has been signed by the Canadian government and, as explained by the Prime Minister in the House of Commons, it does not require any ratification at all, and the purpose of bringing it before the House of Commons and this committee was to redeem an undertaking which the Prime Minister had given that the matter would be presented to the House of Commons for discussion. No further executive action is required on the part of the government. When my hon. friend speaks of bargaining power there is nothing that is being held back that could be conceded in return for the concession that he is seeking to get. I do not think we need to approach the matter on that basis. I think that from the beginning the matter of getting this short form of registration has been represented as being desirable from Canada's standpoint, and it is just a mere matter of continuing to reaffirm those views.

Mr. FLEMING: May we take it, then, that the Canadian government will seek to get that advantage?

Mr. GARSON: I do not see why we should stop doing it now.

The CHAIRMAN: Gentlemen, you have had distributed to you at the beginning of this meeting a brief presented by the United Nations Association in Canada, dated May 9. I want you to study it and I will ask at our next meeting that it be printed as an appendix to our deliberations.

Will you leave it to the discretion of the chairman as to the date of the next meeting this week?

Agreed.

APPENDIX "A"

SUPPLEMENTARY CONVENTION
TO THE SUPPLEMENTARY CONVENTION BETWEEN
HER MAJESTY AND THE UNITED STATES OF AMERICA
FOR THE MUTUAL EXTRADITION OF FUGITIVE CRIMINALS
SIGNED AT WASHINGTON, DECEMBER 13, 1900

Canada and the United States of America, being desirous of modifying and supplementing in certain respects the list of crimes on account of which extradition may be granted under the Treaties and Convention in force between Canada and the United States of America, particularly the Convention concluded by the United States of America and Her Britannic Majesty on December 13, 1900, so as to comprehend any and all frauds which are punishable criminally by the laws of both contracting states, particularly those which occur in connection with transactions in securities, have decided to conclude a Supplementary Convention for that purpose and have appointed as their respective Plenipotentiaries:

Canada:

Lester Bowles Pearson, Secretary of State for External Affairs in the Government of Canada, and

Stuart Sinclair Garson, Minister of Justice and Attorney-General in the Government of Canada, and

The United States of America:

Don C. Bliss, Minister of the United States of America at Ottawa.
who, having communicated to one another their respective full powers, found in good and due form, have agreed as follows:

ARTICLE I

The enumeration numbered 11 in Article I of the Supplementary Extradition Convention signed on December 13, 1900, between the United States of America and Her Britannic Majesty, is hereby amended to read as follows:

11A. Obtaining property, money or valuable securities by false pretences or by defrauding the public or any person by deceit or falsehood or other fraudulent means, whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretence.

11B. Making use of the mails in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretences.

ARTICLE II

The present Supplementary Convention shall be ratified and the instruments of ratification shall be exchanged at Ottawa.

The present Supplementary Convention shall enter into force on the day of the exchange of the instruments of ratification and it shall continue in force as though it were an integral part of the Supplementary Convention of December 13, 1900, subject to the provisions of Article II of that Supplementary Convention with respect to termination.

In witness whereof, the undersigned Plenipotentiaries have signed the present Supplementary Convention and have affixed thereto their respective seals.

Done in duplicate at Ottawa, this 26th day of October, 1951.

For Canada:

L. B. PEARSON,
STUART S. GARSON.

For the United States of America:

DON C. BLISS.

APPENDIX "B"

CORRESPONDENCE

CONCERNING EXTRADITION CONVENTION

On September 11, 1951, a telegram was addressed to The Honourable L. B. Pearson, Secretary of State for External Affairs, which reads as follows:

Understand negotiations proceeding with United States authorities to provide extension or amendment of Extradition Treaty arrangements with that country in connection with security transactions stop Have no objection in principle to some such extension or amendment but respectfully request opportunity to discuss method to be adopted prior to any final agreement with United States authorities stop Believe knowledge and experience this and other stock exchanges gained through extensive study of problems involved when representations made in 1945 and since that time would be of value to you in settling terms stop Ready and anxious to meet your representatives in Ottawa or elsewhere their convenience for this purpose and would appreciate hearing from you suggesting time and place of appointment stop Have forwarded similar telegram to Prime Minister and Minister of Justice.

D'ARCY M. DOHERTY,
President, Toronto Stock Exchange.

On September 12, a telegram was sent to Mr. Pearson as follows:

Our understanding is that Extradition Treaty arrangements are presently under consideration with United States authorities in connection with security transactions stop In the light of our representations made concerning this subject in 1945 we would be pleased to have the opportunity of considering the terms of the proposed convention before it becomes final stop Similar telegrams have been forwarded to the Right Honourable L. S. St. Laurent and the Honourable S. S. Garson, K.C.

F. G. McARTHUR,
Chairman, Montreal Stock Exchange.

On September 14, the following replies were sent:

D'ARCY M. DOHERTY, Esq.,
President, Toronto Stock Exchange,
Toronto.

In reply to your telegrams to the Prime Minister, Mr. Garson and Mr. Pearson I am directed to say that no final agreement will be made with United States until after you have had an opportunity to consider proposed text. This text is being sent by concurrent post to Senator Hayden. We will confirm date of meeting if this is still considered to be desirable by subsequent correspondence.

A. D. P. HEENEY,
Under-Secretary of State for External Affairs.

On the same date, (September 14) a similar reply was sent to:

F. G. McArthur, Esquire,
Chairman, Montreal Stock Exchange,
Montreal.

Also signed by A. D. P. Heeney, Under-Secretary of State for External Affairs.

On the same day (September 14) the following letter was sent to the Honourable Salter A. Hayden:

Dear Senator HAYDEN,

I refer to our recent telephone conversation on the proposed Convention to amend the Extradition Treaty so as to provide a limited extradition for securities frauds. I am now authorized to state that the proposed Convention would delete the following from the list of extraditable crimes:

11. Obtaining money, valuable securities or other property by false pretences,

and would substitute therefor the following:

11A. Obtaining property, money or valuable securities by false pretences or by defrauding the public or any other person by deceit or falsehood or other fraudulent means, whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretence.

11B. Making use of the mails in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretences.

I have sent the following telegram today to Mr. D'Arcy M. Doherty, President of the Toronto Stock Exchange:

In reply to your telegrams to the Prime Minister, Mr. Garson and Mr. Pearson, I am directed to say that no final agreement will be made with United States until after you have had an opportunity to consider proposed text. This text is being sent by concurrent post to Senator Hayden. We will confirm date of meeting if this is still considered to be desirable by subsequent correspondence.

We have obtained the concurrence of the United States authorities that the text be furnished to the solicitors for the Canadian Stock Exchanges on a confidential basis. I would be glad if you would avail yourself of the opportunity afforded by this disclosure to consider the position of your clients without publicizing the text, as the United States authorities are anxious that any general release should be concerted with a release by the State Department in Washington.

Although the proposed Convention would come into force only upon a subsequent exchange of ratification, it is not our present intention to sign it until you have had an opportunity to express the views of your clients. I may add that in our view the concession to the United States is at a minimum, and we hope that your clients will agree that it would be in the best interests of our responsible brokers and security issuers that a limited extradition of this type should be provided.

Yours sincerely,

A. D. P. HEENEY.

On September 13, telegrams were sent to Mr. Pearson by the Investment Dealers' Association, the Winnipeg Stock Exchange, and the Vancouver Stock Exchange. These telegrams read as follows:

The members of the Investment Dealers' Association of Canada comprising investment dealers in all provinces are deeply interested in current rumours that negotiations presently being carried on between Canadian and United States officials with view to amending present Extradition Treaty or Canadian Criminal Code or both in order to provide for more effectual measures to apprehend fraudulent dealers in

securities stop Our Association while naturally most sympathetic to all measures designed to prevent fraud in sale of securities as recognized by our laws is deeply concerned with any proposals which might interfere with free flow of legitimate dealings in high class securities between Canada and the United States and vitally affect the interests of our members stop Accordingly before any such legislation or treaty is made effective our Association would appreciate the opportunity of seeing text of proposed measures and of making such representations as the circumstances might warrant in same way as was done in connection with nineteen forty-five proposals stop Understand members of Toronto and Montreal Stock Exchanges also deeply concerned in this matter stop Have forwarded copy of this message to Prime Minister and Minister of Justice.

W. J. BORRIW, *President*,
The Investment Dealers' Association of Canada,
c/o J. A. Kingsmill, Sec.-Treas., 11 Jordan Street.

(From Winnipeg Stock Exchange)

We have been advised by the Toronto Stock Exchange of the contents of their wire to you concerning proposed Extradition Treaty amendment stop The Board of Governors of the Winnipeg Stock Exchange fully concur with the contents of the wire and respectfully request you give favourable consideration to the views expressed therein.

E. A. NANTON, *President*,
Winnipeg Stock Exchange.

(From the Vancouver Stock Exchange)

The contents of a telegram dispatched by the Toronto Stock Exchange regarding proposed amendments to the Extradition Treaty between Canada and the United States have been brought to our attention and we would be pleased to endorse their request.

President, Vancouver Stock Exchange.

On September 15, the following telegram was sent to the President of the Investment Dealers' Association of Canada, Toronto:

In reply to your telegram to the Prime Minister, Mr. Garson and Mr. Pearson I am directed to say that no final agreement will be made with the United States until after you have had an opportunity to consider proposed text. This text will be furnished to your solicitors upon request.

K. J. BURBRIDGE,
for the Under-Secretary of State for External Affairs.

On the same day (September 15), a telegram in *identical* wording was sent to:

The President of the Vancouver Stock Exchange, and to
The President of the Winnipeg Stock Exchange.

(NOTE: The Investment Dealers' Association sent a letter confirming the text of their telegram. In addition interim replies were sent by the Prime Minister to similar telegrams addressed to him. These replies were to the effect that the telegrams were being brought to the attention of the Department of External Affairs.)

On September 17, the secretary-treasurer of the Investment Dealers' Association of Canada wrote and asked to have the proposed text forwarded to their counsel, Mr. R. O. Daly, K.C., of Daly, Thistle, Judson & McTaggart of Toronto (25 King Street West).

On September 17 a letter was received from Montgomery, McMichael, Common, Howard, Forsyth & Ker, of Montreal, stating that they were acting as solicitors for the Montreal Stock Exchange, and asked for a copy of the text as promised.

On September 18 a letter was sent to Mr. R. O. Daly, K.C. (this letter was read into record of the Standing Committee on External Affairs, by Mr. Moran, on May 13, 1952, and reads as follows):

Dear Mr. DALY,

We have been requested by the Investment Dealers' Association of Canada to furnish you with the text of the new extraditable offences as they would be set forth in the proposed Convention to amend the Extradition Treaty. We had previously been directed to furnish this text on a confidential basis to the solicitors for the Canadian Stock Exchanges and for your clients upon request. This text has not yet been made public as the State Department desire to concert a Press Release in Washington with any general release here. In the meantime you will be able to consider the position of your clients. The proposed Convention would delete from the list of extraditable offences the following:

11. Obtaining money, valuable securities, or other property by false pretences,

and would substitute therefor the following:

11A. Obtaining property, money or valuable securities by false pretences or by defrauding the public or any other person by deceit or falsehood or other fraudulent means, whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretence.

11B. Making use of the mails in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretences.

For your additional information I may say that the purpose is to enable extradition for fraud under the federal laws of both countries. The rule of double criminality would be retained and applications for extradition would be based either on Section 444 of the Canadian Criminal Code (1948 amendment) and Section 17(a) of the U.S. Securities Act 1933, or upon Section 209(c) of the Canadian Criminal Code (1951 amendment) and the U.S. Mail Fraud Statute (18 U.S.C. 1341).

In our view there will remain no possibility of any Canadian being extradited for any technical breach of United States laws such as was suggested in 1945. The operations of certain promoters have been damaging to the reputation of Canada and we would hope that our responsible financial institutions would support a limited Extradition Treaty of this type.

Yours sincerely,
Under-Secretary of State for External Affairs.

On September 19, the following letter was sent to Montgomery, McMichael, Common, Howard, Forsyth & Ker:

Dear SIRs,

We acknowledge your letter of September 17 concerning the proposed supplementary Convention to amend the Extradition Treaty with the United States. The text of this Convention has not yet been made public as the State Department desire to concert a Press Release in Washington with any general release here. I am under instructions to furnish the text to the Solicitors for the Canadian Stock Exchanges on a confidential basis in order that they may in the meantime consider the position of their clients.

The proposed Convention would delete from the list of extraditable offences the following:

11. Obtaining money,

(Please refer to the immediately preceding letter which is identical up to the end.)

On September 20, the following letter was received from the Honourable Charles P. McTague, K.C., counsel for the Broker-Dealers' Association:

Dear Mr. HEENEY:

I have been advised that the various Stock Exchanges through the country have been provided with a draft of the proposed new Extradition Treaty between Canada and the United States, to be dealt with some time during the fall Session.

You may recall that I act as counsel for the Broker-Dealers' Association and that the association has a considerable and vital interest in this matter.

I would very much appreciate it if you could furnish me with a copy of the draft, at the same time advising the extent to which it is required to be kept confidential.

Sincerely yours,
C. P. McTAGUE.

On September 21, pursuant to a long distance telephone request, we sent a short letter to Mr. Daly, enclosing photostatic copies of the existing treaty and supplementary conventions with the United States in regard to extradition.

On September 25, Mr. Heeney wrote to Mr. McTague as follows:

Dear Mr. McTague,

I acknowledge your letter of September 20. We consider that the direction that the draft of the proposed new extraditable offences should be furnished to the solicitors for the Stock Exchanges and The Investment Dealers' Association would also apply to the solicitors for the Broker-Dealers Association.

The proposed Convention would delete from the list of extraditable offences the following:

11. Obtaining money, valuable securities, or other property by false pretences,

and would substitute therefor the following:

11A. Obtaining property, money or valuable securities by false pretences or by defrauding the public or any other person by deceit or falsehood or other fraudulent means, whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretence.

11B. Making use of the mails in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretences.

For your additional information I may say that the purpose is to enable extradition for fraud under the federal laws of both countries. The rule of double criminality would be retained and applications for extradition would be based either on Section 444 of the Canadian Criminal Code (1948 amendment) and Section 17 (a) of the U.S. Securities Act 1933, or upon Section 209 (c) of the Canadian Criminal Code (1951 amendment) and the U.S. Mail Fraud Statute (18 U.S.C. 1341). For your additional convenience I am enclosing a photostatic copy of the relevant provisions of the Treaty of 1842 and the supplementary Conventions thereto now in force.

In our view there will remain no possibility of any Canadian being extradited for any technical breach of United States laws such as was suggested in 1945.

With reference to your enquiry as to the extent to which this text should be kept confidential, I may say that our purpose in requesting that it be kept for the present in the hands of the solicitors only is to meet the wishes of the State Department, which desires that any public release of the proposed text in Canada should be concerted with a similar release by the State Department in Washington.

Sincerely yours,
A. D. P. HEENEY.

On September 24, three letters of acknowledgment were received from The Investment Dealers' Association of Canada, Senator Salter A. Hayden, and Montgomery McMichael, Common, Howard, Forsyth & Ker respectively, all saying in effect that they would study the material and communicate with us again.

On September 25, Mr. Daly wrote a short letter asking for "the pertinent section of the U.S. Mail Fraud Statute referred to in your letter of the 18th instant". This was sent under cover of a short letter, dated September 28, and was acknowledged by Mr. Daly on October 1st.

On September 26, Mr. McTague wrote to Mr. Heeny as follows:

Re: Broker-Dealers' Association

Dear Mr. Heeny:

Many thanks for your letter of September 25 explaining proposed changes in Extradition Treaty and also enclosing photostatic copy of the relevant provisions of the Treaty of 1842 and Supplementary Conventions.

I shall keep in mind what you have to say with respect to keeping the documents confidential.

I am very grateful for your co-operation.

Sincerely yours,
C. P. McTAGUE.

On September 28, Mr. Salter A. Hayden wrote to Mr. Heeney (this letter was also read into the record by Mr. Moran) as follows:

Dear Mr. Heeney:

With further reference to my letter of September 24 and your letter of September 14, the Toronto Stock Exchange has now had the opportunity of studying the text of the proposed amendments to the Extradition Treaty with the United States and does not consider it necessary to make any submission in relation thereto.

Best regards.

Sincerely yours,
SALTER A. HAYDEN.

On October 5, Messrs. Montgomery, McMichael, Common, Howard, Forsyth & Ker wrote to the Department as follows:

Dear Sir:

Further to our letter of September 24, we note that when this matter was under discussion in 1945, the proposed list of extraditable offences contained items relating specifically to activities in relation to securities. We assume that these items have been eliminated, but it would facilitate consideration of the matter if you could furnish us with a complete proposed list of extraditable offences.

Yours very truly,
McMICHAEL, COMMON, HOWARD, KER & CATE.

On October 11, the following reply was sent:

Dear Sirs,

I refer to your letter of October 5. In 1945 consideration was given to a Protocol to a Treaty of 1942. The purpose of this Protocol was to meet objections that the substitution of the rule of single criminality proposed in the 1942 Treaty would have exposed Canadians to prosecutions for technical violation of United States laws. By the Protocol the rule of double criminality would not have been restored in so far as extradition for securities frauds was concerned, since extradition would have been possible for "knowing violation" of the laws of the requesting country.

The 1942 Treaty was never ratified by Canada and no action was taken in connection with the Protocol. In the result the existing laws are those contained in the earlier treaties, the last of which became effective in Canada in 1922.

The proposed supplementary Convention now under consideration would add the offences mentioned in our letter of September 19 to the offences included in the earlier treaties. I am enclosing for convenient reference a photostatic copy of the text of the earlier treaties taken from a bulletin published some years ago which is now out of print. With the assistance of these documents I think you will readily agree that the new offences quoted in our letter of September 19 are the only ones which need be of concern to your clients.

Yours sincerely,
Under-Secretary of State for External Affairs.

On October 9 the Secretary-Treasurer of the Investment Dealers' Association of Canada wrote to Mr. K. J. Burbridge (this letter was also read into the record by Mr. Moran) as follows:

Dear Mr. BURBRIDGE:

Mr. R. O. Daly, K.C., our Counsel, has shown to me in confidence the letter which you wrote him on September 18 regarding the wording of the proposed Convention to amend the Extradition Treaty. We understood that this was also received by the Counsel for the Toronto Stock Exchange.

We note that it is the hope of your Department that our responsible financial Institutions will support a limited Extradition Treaty of this type.

We see no reason why the proposed wording of the Convention to amend the Treaty should interfere in any way with the legitimate business of the Members of our Association.

Yours very truly,

J. A. KINGSMILL,
Secretary-Treasurer.

On October 18, Messrs. McMichael, Common, Howard, Ker and Cate wrote to the Department as follows:

Dear Sir:

We are much obliged for your letter of the 11th instant with its enclosure.

We have now received word from the Montreal Stock Exchange that it has no objection to the terms of the proposed Convention as mentioned in your letter of September 19.

In examining the proposed new Item 11B, it struck us that it might have been the intention to make the language the same as in Section 209(c) of the Criminal Code and, if this were the case, that the words "deceive or defraud" should be "deceive and defraud."

Please accept our thanks for your courtesy in this matter.

Yours very truly,
McMICHAEL, COMMON, HOWARD, KER & CATE.

The foregoing embraced all of the correspondence with the stock exchanges and their solicitors. It will be noted that there were no subsequent communications, other than the initial telegrams, from the Winnipeg and Vancouver Stock Exchanges. They did not ask to see the texts. As their telegrams were in support of the position taken by the Toronto Stock Exchange, and the latter was satisfied, they were, presumably, also satisfied.

HOUSE OF COMMONS

Sixth Session—Twenty-first Parliament, 1952

Government
Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. BRADETTE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

FRIDAY, MAY 16, 1952

MONDAY, MAY 19, 1952

THE COLOMBO PLAN

WITNESSES:

Mr. G. J. McIlraith, M.P., Parliamentary Assistant to the Minister of Trade and Commerce and Mr. R. G. Nik Cavell, Administrator, International Economic and Technical Co-operation Division, Department of Trade and Commerce.

ORDER OF REFERENCE

THURSDAY, May 15, 1952.

Ordered,—That the name of Mr. Green be substituted for that of Mr. Churchill on the said Committee.

Attest.

LEON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

FRIDAY, May 16, 1952.

The Standing Committee on External Affairs met at 11.00 o'clock a.m. this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Bater, Bradette, Coldwell, Decore, Fleming, Fraser, Gauthier (*Lac St. Jean*), Graydon, Jutras, Kirk (*Digby-Yarmouth*), Low, MacKenzie, Richard (*Ottawa East*), Riley, Stick.

In attendance: Mr. G. J. McIlraith, M.P., Parliamentary Assistant to the Minister of Trade and Commerce, and Mr. R. G. Nik Cavell, Administrator, International Economic and Technical Co-operation Division, Department of Trade and Commerce.

Messrs. McIlraith and Cavell, representatives to the Karachi meeting of the Consultative Committee on the Colombo Plan, were introduced by the Chairman.

Mr. McIlraith outlined the origin of the Colombo Plan and Consultative Committee connected therewith. He explained the work being done under the Plan and conditions as he found them in Ceylon, India and Pakistan.

Mr. Cavell gave an account of his observations during his recent trip to the above-mentioned countries. He elaborated on the irrigation and hydro-electric projects in operation or under construction and plans for the future.

Questioning continuing thereon, at 1.00 o'clock p.m. the Committee adjourned to the call of the Chair.

MONDAY, May 19, 1952.

The Standing Committee on External Affairs met at 4.00 o'clock p.m. this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Bradette, Decore, Fraser, Graydon, Jutras, Kirk (*Digby-Yarmouth*), Low, MacDougall, McCusker, Murray (*Cariboo*), Richard (*Ottawa East*), Stick.

In attendance: Mr. G. J. McIlraith, M.P., Parliamentary Assistant to the Minister of Trade and Commerce and Mr. R. G. Nik Cavell, Administrator, International Economic and Technical Co-operation Division, Department of Trade and Commerce.

The Chairman tabled a brief from the United Nations Association in Canada.—*See Appendix "A" to this day's Evidence.*

The Colombo Plan was further studied.

The Chairman thanked Messrs. McIlraith and Cavell for the information they had provided.

At 4.45 o'clock p.m. the Committee adjourned to the call of the Chair.

E. W. INNES,
Clerk of the Committee.

EVIDENCE

MAY 16, 1952.

11.00 a.m.

The CHAIRMAN: Gentlemen, we will now call the meeting to order. We have with us this morning Mr. George J. McIlraith and Mr. Nik Cavell. You all know Mr. McIlraith and you all have been introduced to Mr. Cavell. I believe the proper way for us to proceed would be for Mr. McIlraith to make a statement and if you wish to ask any questions you may do so. After that we will hear from Mr. Cavell. Mr. Cavell, as you know, is the Administrator of the International Economic and Technical Cooperation Division of the Department of Trade and Commerce.

Mr. McILRAITH (Parliamentary Assistant to the Minister of Trade and Commerce): It is rather a novel experience to be asked to give evidence before this committee, and I very much appreciate the honour.

It also fills me with some hesitation and I hope that as I go along you will feel perfectly free to interrupt me because, quite frankly, I am not just certain of what it is you want to hear about the Colombo Plan, or my trip as Canadian representative to the meeting of the consultative committee in Karachi this spring, so I do wish you would feel very free to interrupt me as I go along. I want to give you all the information I can and if it is not the particular information you want I hope you will bear with me and ask such questions as you think may bring it out.

In speaking about the Colombo Plan this morning, I am somewhat handicapped by the fact that the report of the consultative committee on Economic Development in South and Southeast Asia—that is the report of the fourth meeting, the meeting held in Karachi in March of this year—is not yet tabled in the House of Commons. It will be tabled by the Department of External Affairs, and the reason it is not yet tabled is because it has not yet arrived. I expect it will be tabled this coming week. In any event, I think you will find it is quite a complete report and in quite readable form. I will try not to duplicate what is in the report. Perhaps there is one thing I might usefully do. I find in discussion a little confusion about the origin of the Colombo Plan, and if you will bear with me for a minute or so I will try to give you something of the background.

In January, 1950, the foreign ministers of Australia, New Zealand, United Kingdom, Canada, Ceylon, India and Pakistan met in Colombo to discuss in general international affairs as relating to that part of the world particularly where they were meeting—the area of South East Asia. The result of that Conference was that it was decided that some steps should be taken to try to improve the conditions of extreme poverty and underdevelopment in that area. A consultative committee was set up. That is the origin of the Colombo Plan. That first conference was followed by meetings of the Consultative Committee. It met first in Sydney, Australia, in May, 1950, and at that meeting it was decided to do two main things. The first to try to help meet the need for technical assistance and technical cooperation in the whole area. (I will be saying more about the technical cooperation, later). The second decision was that the countries in the area of South and Southeast Asia should be invited to bring forward economic development plans in time for consideration in the next committee meeting in London in September of

1950. I attended the meeting in London as an alternative delegate with the Honourable R. W. Mayhew. Mr. Mayhew was the Minister of Fisheries and the Canadian delegate at that London meeting. You will recall I was at another conference immediately prior to that on trade and finance matters. The report of that meeting in London was tabled in the House of Commons and, I think, has had quite wide circulation. It gives details of development plans for projects put forward by the Governments of the Area. There was a further meeting held at Colombo in February 1951. That brings me to the meeting held in Karachi in March and April of this year, which I attended and concerning which the report will be tabled in the House next week. The function of that meeting was inevitably, by its timing, in the nature of a reviewing of the whole development programs in the light of the earlier experience. As the countries had done work on them and as their budgets and economy had changed, the meeting reviewed them, bringing them up to date in the light of present conditions; seeing what progress had been made and arranging continuing plans. So this report is in the nature of a record and review. I was in Karachi some two weeks, and in addition to the work we did there, we all had a tour through Sind Province. Sind Province is the southeast province of West Pakistan and is mostly desert. We had a trip arranged for us one week-end and saw two of Pakistan's irrigation schemes. The Sukkur barrage and the Lower Sind Scheme. We also had an interesting side trip to the archeological ruins at Mohenjo Daro.

Mr. COLDWELL: Are these new schemes or are they ones that are now in operation?

Mr. McILRAITH: The Lower Sind is just new. They have been working on it for some two or three years, but the Sukkur Barrage is in operation now, and is being extended. They are quite good schemes. Those were the only actual projects that I visited.

Mr. Low: Are these schemes based on pumping?

Mr. McILRAITH: No, a canal system—a very large dam and a canal system.

Mr. COLDWELL: Do you know how much the acreage is?

Mr. McILRAITH: We can give you that. I will have more to say about the projects later.

Mr. BATER: Are those particular projects connected with the Colombo Plan?

Mr. McILRAITH: No, they have nothing to do with the Colombo Plan and our aid at the moment, but they are very representative of the type of irrigation . . .

Mr. COLDWELL: That may be followed in the future?

The CHAIRMAN: In the questioning I will ask the members to address the chair.

Mr. McILRAITH: I will have more to say about the projects later. I mentioned the countries represented at the first meeting. It might be useful if I mention the additional countries at the Karachi meeting who were there as a result of decision taken at the second London meeting; Cambodia, Indonesia, Laos, Thailand and Viet Nam. Nepal sent a representative and it was their first meeting. The United States of America took an active part in the meeting. Indonesia, the Philippines and Thailand attended as observers.

Now, it would perhaps be useful here—

Mr. COLDWELL: They were not in the original plan, were they, those three?

Mr. McILRAITH: No, the three last were observers only.

Mr. COLDWELL: But they are not in the plan?

Mr. McILRAITH: No, and the other ones I mentioned are in the plan but have come in after the first meeting.

Mr. COLDWELL: But the other one, Cambodia?

Mr. McILRAITH: Cambodia came in after the London meeting.

Mr. FLEMING: May I interrupt? This question may be a little off the track, but has the name Thailand become fully established? I remember reading one of Mr. Churchill's books, where he protested vigorously against abandonment of the name Siam. Has the name Thailand been fully established as the name of that country?

Mr. McILRAITH: I do not know. It is the one used all the time. I am aware of the differences on that score, but I am not able to answer your question more fully, but that is the name exclusively used now.

Mr. GRAYDON: He is no longer the King of Siam.

Mr. McILRAITH: I cannot answer your question.

Now, then, perhaps it will be useful just to deal with the area a little bit further. I had a short trip to Delhi and Agra. There is nothing particularly significant about that trip in relation to the Colombo Plan. I must say that the trip was personally tremendously interesting and of some real value in understanding the problems and particularly the Indian villages. The Indian villages are incredible to a westerner. Then, after the Karachi meeting the council on technical co-operation met in Colombo, Ceylon, and I was in Ceylon during the whole of that meeting. That meeting is composed of representatives of governments on the staff level, and the president of the council is Mr. Rajendra Coomaraswamy in the Ceylon government service, and our representative is Mr. Paul Sykes who is our trade commissioner in Ceylon. Mr. Murray, who is in the High Commissioner's office in Karachi, also attended the meeting. I had an opportunity there of going over things rather thoroughly because I was there for two weeks.

Now, it is perhaps useful if I just put these figures on the record. Ceylon has a population of, roughly, 7,000,000; Pakistan has a population of, roughly, 80,000,000.

Mr. STICK: Does that include eastern Pakistan?

Mr. McILRAITH: I was just coming to that. Including the 35,000,000 in west Pakistan, and 45,000,000 in east Pakistan, which is some 800 or 1,000 miles away. In India the population is somewhere of the order of 350,000,000.

Mr. STICK: No, I do not think that. About 250,000,000 would be right.

Mr. McILRAITH: Well, that is the figure I have.

Mr. STICK: It is not 350,000,000.

Mr. McILRAITH: 310,000,000 is the lowest figure I have seen, and the highest figure in some of their own publications is 360,000,000.

Mr. CAVELL: The rough figure that is used is 350,000,000.

Mr. McILRAITH: Yes, and the figures in publications have ranged all the way from 310,000,000 to 362,000,000. Those are Indian publications I am speaking about. I think perhaps if we just take the figure—there is no point in me discussing that figure.

Mr. STICK: No, it is not accurate.

Mr. McILRAITH: Well, it is the best I can give you and I am seeking to be as accurate as I can.

Mr. GRAYDON: The United Nations publications give it as 363,000,000 after partition.

Mr. McILRAITH: That is what I say.

Mr. STICK: India alone?

Mr. McILRAITH: Yes, after partition.

The CHAIRMAN: Order, gentlemen, please. I would make the request again that members address the chair.

Mr. McILRAITH: The whole area we are dealing with has something in the neighbourhood of 600,000,000 population, which is approximately one-quarter of the population of the world, so that is what we are dealing with in this scheme. Now, in my own remarks this morning I will be addressing myself more particularly to our sister countries in the Commonwealth, three of them, India, Pakistan and Ceylon, and there are two reasons for that; one is that I have not visited any other parts of the area, I only visited those three countries, and the other reason is that our economic aid, any aid that has been given, has so far only been spent in those three countries. Now, in doing that I do not want the committee to get the impression that I am in any way minimizing the importance of other countries in the area. The objective of the Colombo Plan is stated quite simply, you will see, in the reports, but it might be well just to cite one sentence of it:

The objective of the Colombo Plan is to raise the standard of living by accelerating the pace and widening the scope of economic development in the countries of south and southeast Asia by a co-operative approach to their problems, with special emphasis on the problem of the production of food.

I think that sentence, while a little long and perhaps awkward, is a very accurate statement on the whole thing, and as good as any brief summary that can be made. You will note it emphasizes "accelerating the pace". In other words, we are seeking to speed up something they are already doing. You will note "widening the scope"; another consequence of it. You will note "co-operative approach to their problems", and you will note "special emphasis on the problem of the production of food". Now, I think I ought properly not to digress, but I also should state in discussing this whole thing that we should not lose sight of the fact that when we talk about food production there we talk about the condition where large sections of people, very large sections of people, are in an appalling state of food deficiency. You can call it hunger, acute hunger, famine, or whatever you like. It is just an appalling state of food deficiency among large sectors of the population in the area. On the other hand, you will notice from the figures I have given there is a tremendous resource of population there to develop the area, and there are also—I have not said anything about it—but there are also tremendous resources to be developed.

India and Pakistan achieved independence in 1947, when the British authorities withdraw. Ceylon went through a slightly different process, and it is well to remember that these governments are new. In Pakistan for instance, a new government and a new country started with very little warning, and if you go back into the history of that I think it was with only 2½ or 3 months' notice, and having no civil servants to start with, you can imagine the handicaps that they faced.

Mr. STICK: Didn't they take over the Indian civil servants that were trained prior to that?

Mr. McILRAITH: No relatively, Pakistan has practically none of them. The Indian civil servants stayed in India.

Mr. STICK: But in Pakistan there is also a civil service; it was there when I was there.

Mr. McILRAITH: I am sorry to have to differ. I am speaking of their beginnings as independent countries and can just state what I believe to be the condition. The reason for that condition is rather simple. Most of the Indian civil servants were Hindus and the Hindus practically all stayed in India. The Pakistan state is a Moslem state and there were virtually few Moslems in the Indian civil service prior to partition, so the consequence is Pakistan started departments of government with virtually no civil servants.

Mr. STICK: I do not want to contradict you, but I am sorry to have to say that I disagree with you.

Mr. McILRAITH: There might have been individuals, but there was nothing at all in the nature of a group which could start a department. I repeat there might have been individuals, but not a body with which you could start a civil service. The point I want to make is this: these governments have developed their own plans; they are still developing plans, and they are very extensive plans, and they seem to be well thought out: they have had their plans examined not only from their own point of view, but in the light of the Colombo Plan operations. The plans have been submitted to a committee. They have looked at them and therefore they have been examined and re-examined, and I might say that those developed plans are quite good. They are of tremendous interest. However, that is a general remark.

The question arises: Exactly what is Canada's part in this scheme? What have we done? And it might be well to say that economic aid is handled administratively through a policy committee of civil servants, and that that committee is headed by Mr. Plumptre of the Department of External Affairs, as chairman. But the actual administration of this Colombo Plan aid comes under what is called the International Economic and Technical Cooperation division of the Department of Trade and Commerce; and the administrator of that division is Mr. Cavell.

At the meeting which I attended in Karachi, Mr. Cavell not only was present as chief adviser, but he had for many weeks covered the territory; he had visited the projects of which he will speak. Therefore he is the one to deal with all those projects. He was three months in that area and having been there at the time and having had three months of rather intensive work in that area, he is the one who is familiar with the projects. In addition to those I have already mentioned, we had the Canadian High Commissioner to Pakistan at the Karachi meeting as the alternative delegate to myself as head of the delegation. Mr. Murray of the High Commissioner staff attended as an adviser as did Mr. Hume Wright of the Finance Department and Mr. Mallory of the Department of Trade and Commerce—the latter two had opportunities to visit some of the projects and visit the area.

Economic aid is an External Affairs vote of \$25 million. Perhaps I should take a few moments to gather up what was done with last year's \$25 million. Of that sum, \$10 million represents a wheat shipment to India. Now, as to that wheat shipment you may have heard someone say that it is not developing the food capacity in India; but the situation simply was that the people were starving in a famine in tremendous numbers and there is no way of—

Mr. COLDWELL: Helping them unless you satisfy their hunger first.

Mr. McILRAITH: Yes, that is right.

Mr. FRASER: What grade of wheat was it?

Mr. McILRAITH: It was grade 4, I think, milling wheat. The wheat was sold by the Indian Government its value—\$10 million Canadian Dollars thus converted to a counterpart fund in Indian currency.

I hope later we will have further word from Mr. Cavell on that point. I would like to see it more fully explained because it is very important. These counterpart funds are being used for further development on the Mayurakshi project, and that is a flood control and irrigation project which involves some six hundred thousand acres; and the added production of rice which will come out of that project is estimated at 300,000 tons a year, and some 50,000 tons of other crops. That is one of the projects which Mr. Cavell visited.

Mr. STICK: Where did you say that project was?

Mr. McILRAITH: It is in west Bengal. That counterpart fund is something about which we will hear more later. The next expenditure was in

the order of \$4½ million which represented 1,500 vehicles for the Bombay state transport system; 450 bus chassis and 1,050 truck chassis; they will do the body work themselves in India. That is a state transport system, not a municipal one.

You have an extraordinary situation there. You may have food in one area, but because of the inadequacy of transportation, you may have a famine area which, to us, would not be very far away: the need for transportation is great in many parts of the area. This scheme also involves the counterpart fund, and as those vehicles are delivered, starting one year after delivery date, they will be paid for by the State Transportation authorities, and that \$4½ million will go into the counterpart fund. It is not yet ear-marked. I would expect that you may want to hear about the Hirakud project and similar projects in India. Mr. Cavell may say something about that. It involves 1 million acres, and the estimated increase as a result of the project is 340,000 tons of food grains, and some 34,000 tons of sugar and cotton, so you can see that it is rather substantial.

The remainder of the money, the \$½ million, is being spent on certain material and equipment for Hydro electric supplies for one of the Hydro developments in one of those projects, and for a type of material which is not procurable elsewhere. That accounts for \$15 million of last year's expenditure on economic aid.

In Pakistan we are providing a cement plan for the Thal area. The Thal development is a huge irrigation and power project involving the settlement of refugees as well as the irrigation of a tremendous area: there will be a settlement for a number of refugees: in that connection you should remember that in Pakistan some 10 per cent of the total population is made up of refugees. That makes an incredible problem for a government, to absorb 10 per cent of its population by way of refugees: there is a real problem in the way of land settlement, and conditions are rather difficult.

Mr. GRAYDON: What is the population of Pakistan?

Mr. McILRAITH: 80 million, I said.

Mr. BATER: Are they refugees from India?

Mr. McILRAITH: Yes, the cement plant will be in that area, and Canadians will supply the whole plant. That is being done by Canadian Overseas Engineering Constructors. It is a joint scheme involving Canadian Overseas Engineering Constructors, H. G. Acres and Company, Consulting Engineers, Canadian Engineering Works Limited, Dominion Bridge Company, and Fraser Brace Engineering Company Limited. You will see that the companies represent the type of firms in Canada which are doing that work. That cement plant should be of real assistance in that area. Then, in addition, there is something of the order of \$2·8 million for railways sleepers.

Mr. COLDWELL: Do you mean by that sleeping cars or ties?

Mr. McILRAITH: Ties, as we call them.

Mr. COLDWELL: "Sleepers?" is the English term.

Mr. McILRAITH: Yes, but we call them railway ties.

Mr. CAVELL: The word "tie" is rather a dangerous one, and I might point it up with this little story. When it became known that Canada was giving 2 million dollars worth of ties to Pakistan, newspapers and people said: "What in the world is Pakistan going to do with so many neckties?"

Mr. McILRAITH: You will find that the word "sleeper" is used for that reason.

There is some \$200,000 being set aside for equipment for a joint model livestock farm scheme. It is in the nature of an experimental farm scheme, to be provided by Canada, Australia and New Zealand. It involves some

1,500 acres in west Pakistan \$2 million is being set aside for an aerial photographic and geological survey of Pakistan. I might say that that country, with its long and excellent history, simply has not got what we would call a thorough survey, a geological survey of its area. It is very hard to do really thorough and competent work and to assess the potentialities without that basic information. So it is being done by a Canadian firm.

Mr. GRAYDON: Does that apply to India as well?

Mr. McILRAITH: I am not able to say.

Mr. STICK: I do not think it would. The western part of Pakistan borders on Persia and Afghanistan, and there has been a dispute for years regarding the boundaries.

Mr. McILRAITH: That completes the \$25 million expenditure for economic aid last year. It is expended all in India and Pakistan. The vote, however, does not limit the country in which the expenditure can be made.

Mr. COLDWELL: Were there no expenditures made for students?

Mr. McILRAITH: I am coming to that on another subject. This is economic aid; I am talking about the \$25 million; but you will note in the vote that it is not limited to any one country; it is for any country in the area.

Mr. COLDWELL: Is the training of personnel in Canada in addition to the \$25 million?

Mr. McILRAITH: Yes. I mention that feature of the vote because I think it is desirable that we be in a position to examine every project as it is brought forward by any country, and assist it and aid it, where we think it will be most beneficial. I think there should be that freedom.

Now, so much for economic aid. You will note an additional vote for technical co-operation, or technical assistance. Perhaps it is not necessary for me to go into an explanation of that, of what is sought to be done there. But there are two or three things which might be mentioned. One is that this technical assistance, this technical co-operation, is supplementary to the large work being done in the area by the United Nations and by United Nations specialized agencies.

For instance, in Ceylon on several occasions I met Dr. Hardy of Saskatchewan, who was doing on dry farming in Ceylon under the auspices of the Food and Agricultural Organization, not under the Colombo Plan. They spoke very highly of his work. The Prime Minister of Ceylon spoke very highly of it.

Under "technical assistance" we have in Ceylon at the moment Mr. Haywood, who is working on developing the commercial fisheries. I had occasion to look at his work in Ceylon; it is incredible to learn that practically all the commercial fishing there is still done in out-rigger canoes, which are made out of a hollowed log with a large sail, and a supporting log to keep it from upsetting; but they cannot go very far off shore and they cannot stay out after the off-shore breeze rises in the late afternoon, so it limits their operations very much. When those boats come in, you will see a catch of fish for the day which is just appalling for men to bring in, because it is so small. Here are some figures, or statistics which seem to indicate that there are only about 40,000 tons of fish per annum taken by approximately 70,000 fishermen. That average out at or under 1,300 pounds of fish per year per fisherman. Fish is an item that is very deficient in the diet in Ceylon, and there is every reason to believe that there is a reserve there in abundance.

In any event, Mr. Haywood is one of the Canadian technical experts working for the Ceylon government under this scheme and developing the commercial fisheries. It seemed to me that the type of work he was doing was most valuable, and that it was being very well handled.

There was another Canadian there, Mr. George Nixon, who was dealing with refrigeration equipment, in relation to fisheries. There is no use in catching fish when the climate is so very hot that it will spoil immediately unless there is some means of refrigerating it. So you see, there is some problem there.

Under the Colombo Plan Technical Assistance scheme last year there were some 46 trainees, 23 from India, 15 from Pakistan, and 8 from Ceylon brought to Canada and in addition there were three Missions; there were fellowships, scholarships, and so on in agriculture, mining, engineering, medicine and nutrition. There is a rather interesting new trend. I think it is fair comment to say that you will likely see more of a tendency to train people in their own country, rather than bring them here for training. I think it has been the experience in the United Nations, and under this scheme, that you can probably do a more thorough job working in the country where the work will ultimately have to be done, by training in that country rather than bringing them over here to train with our equipment and systems and then sending them back. That is one comment I wish to make.

Three missions came to Canada last year and at the moment two more are here in Ottawa. One, a group of 12 Pakistani, is studying public administration. They are young civil servants brought here for further training. It is a four month's course, and they will examine the operations of government at all levels; they will be remaining some weeks in Ottawa dealing with federal government matters, then they will be sent out to deal with certain municipal governments across the country, and then with certain provincial governments. There has been good cooperation all over Canada with the local governments concerned. They have been very cooperative about this. There is also an eight-man public health mission which has just arrived and there will be similar missions developing.

That, I think, gives an idea roughly of the plan and what we have done under it. Now then, there are two or three other things you may ask. I do not know whether you want me to give my own opinion or not. I suppose it is proper for me to do so, but do not assume that it is other than my own opinion.

Mr. Low: Yes, we would like to have it, Mr. McIlraith.

Mr. McILRAITH: It is only put forward as that, and it is an observation for what it is worth. One thing I was very taken with in Pakistan was that for the first time we had our Canadian government employees who are responsible for the administration of the Colombo plan, really examining the area; and we had them meet with their opposite members in each of the governments of the countries in the area. We really had them thoroughly familiarized with what they were working at. I attach very considerable importance to that. I do not know if it is fair to make a comment on this, but I was very much taken with the importance, for instance, of having Mr. Cavell visit not only the projects in which we have been directly interested, but also the ones that are going on in which we are likely to be interested, and to meet with the officials of the governments concerned with respect to each of those projects, with those concerned with the plan, whatever their rank or title may be such as the Minister of Economic Affairs and his particular officers and civil servants. Then, there is another thing that is apparent in the area, and that is the concentration on development. I notice it particularly in Pakistan that may be due to the fact that I was there longer and had an opportunity to observe it. There is a sense of achievement among these governments and among these people. They feel they are achieving something, that they have gotten their independence and that they must achieve better conditions, certainly they seem to be working.

That conclusion struck me the more closely as I dealt with them when I was there. They are people filled with a sense of achievement. They had great problems in the way of shortage of finished cotton for instance, but they

can show you processing cotton mills as intended, and in some cases achieved. There are a lot of difficulties in the area, and I do not know if I should elaborate on them but they definitely feel that they are getting on, and I think they are.

There is another thing I believe I should say something about, and that is their determination to help themselves; and this thing must not be looked on as outside aid going in there. We are aiding something which they are going; it is not an outsider going in and doing something for them. It is supplementing and assisting them in doing something which they are doing themselves, and that approach to the subject is quite noticeable. As a matter of fact, you will notice that coming up in many ways; for instance, in technical assistance they are now developing technical assistance between the countries in the area in such things as rice-breeding, and things like that. That is something we should note and keep in the background of our minds. I am not sure there may not be technical aid which we in the west could get from them, but that is a subject which we did not open up but I am not sure there may not be something there. So much for the Colombo Plan proper.

But before I close my remarks, there is one other thing, it is an impression of mine that has been before me a good deal since I came back, and that is the question of the housing of the permanent Canadian representatives in those countries. As you know, our rule in most countries is that the employee or representative—I should perhaps call him representative—has to provide his own housing in the country to which he is posted. That is all very well in an area where you can obtain housing for two years. I think two years is the period of Trade and Commerce duty in that area. But it is just not possible to rent housing for 2 years and something should be done having regard to conditions and the incidence of health hazards for Canadians going there for the first time. Therefore it seems to me most inefficient to have our people trying to provide their own housing and living in hotels and depending on hotel food.

Mr. COLDWELL: What is the alternative to that?

Mr. McILRAITH: The alternative to that is, I think, that we must provide the housing, and that may involve you, in a country like Pakistan, in the building of houses. I do not see how it can be avoided.

Mr. COLDWELL: Can we not do the same as we have done in the case of Mr. Davis in China, and ship in an already cut house?

Mr. McILRAITH: No, I do not think you can do that at all in that kind of climate because in that kind of a climate you cannot have a low ceiling prefabricated building at all. You must have high ceilings and buildings constructed for service in that climate. A prefabricated building, in my opinion, would be useless. A building there has to be of a different type of construction and I would think it would be almost necessary that it be of plaster or cement or stone or stucco or some material of that nature because of the climatic conditions.

I must say that I was amazed that the people there did not say anything about it or did not bother me about it, but I felt we were not getting the maximum out of our expenditures by housing our staffs the way we do, which involves them being off for so many days.

(Mr. McIlraith then spoke off the record).

Mr. COLDWELL: Would you say something for the record about the housing matter?

Mr. McILRAITH: One item that impressed itself on me very much was the need for Canada to provide housing for its representatives in this area.

Mr. STICK: You mean Karachi?

Mr. McILRAITH: No, I mean the whole area.

It seemed to me that the Canadian high commissioners and staff and trade representatives should have their own housing in the area. That is particularly true in Karachi because of the shortage of housing, the impossibility of renting housing, and because of the climatic conditions which make it desirable that those representatives should have facilities—

Mr. FRASER: Similar to what they have in Canada?

Mr. McILRAITH: No, but housing facilities which will enable them to safeguard their health.

Mr. COLDWELL: That would add to their general efficiency?

Mr. McILRAITH: And thereby maintain their general efficiency.

With that, I might close my remarks.

The CHAIRMAN: I will now call on Mr. Cavell.

Mr. Nik Cavell, Administrator, International Economic and Technical Co-operation Division, Department of Trade and Commerce, called:

The WITNESS: Mr. Chairman, and gentlemen: I would like to say at the outset that what struck me on returning to this area in which I lived for 22 years of my life was the entirely new spirit one finds amongst the people. It is very noticeable in India and Pakistan. Those people now have an entirely new spirit. They have taken hold of their countries, they realize they are responsible, and I think these very fine schemes that have been developed, and with which they are asking us to help them are evidence of that spirit. They realize that they must now run their own countries and be responsible for them.

I found many very dedicated people working at these schemes and I found a lot of people who have found time and opportunity to get down amongst the poor and try to help. That is something entirely new, it was not in spirit which actuated these people in the old days, when they lived under one or other of the European powers.

As you know, my particular responsibility is to see that the money which the Canadian taxpayer contributes to aid in these areas is properly spent.

Mr. COLDWELL: Mr. Cavell, will you tell us what you did before you assumed this position—just for the record so there may be a good understanding of some of your qualifications?

Mr. FLEMING: Don't be too modest about it, either, Mr. Cavell.

Mr. COLDWELL: No, don't be too modest. Before you joined the department, what type of industry were you engaged in that would be helpful in this field?

The WITNESS: I do not think it was so much the industry that I was engaged in that helped me as what I had done before I went into industry.

Mr. COLDWELL: You were in the electrical field?

The WITNESS: If I have a qualification for this job it is that I did live for 22 years in the area, starting when I was 19 when I went out to the Indian army. I did not work much in the Indian army beyond world war I, although I was still an officer but I transferred on loan to the political and other departments of the Government of India doing all kinds of political work on the northwest frontier, land settlement and development work of an agricultural nature in the Punjab, magistrate work and so on.

I had great pleasure in going back to an irrigation farm which I started then and which is now one of the most flourishing spots in the Punjab. It was a great pleasure to go back and see how that work had developed under a very able Pakistani officer who runs it now.

Then I owned a farm in Africa which gave me some more practical experience. I then went into industry—into the electrical and communications

industry. That again took me back to China, Japan, India, Malaya and other countries—in which I set up and ran companies. The same type of business brought me to Canada when I started companies here.

MR. GRAYDON: I think, Mr. Chairman, it would be interesting for the committee to know Mr. Cavell's close relationship to the communication systems in those eastern countries. My understanding is that he established the telephone exchanges in some of the leading centres in Asia—which to me has always been a very interesting part of the work that he accomplished while he was there.

THE WITNESS: Yes. I did arrange for the installation of automatic telephone exchanges there.

Well, gentlemen, to get on, I started my recent tour as Canada's representative to ECAFE—the Economic Commission for Asia and the Far East—which was meeting in Burma. I do not wish to say very much about that meeting except that the various economic teams from the countries in South-East Asia were gathered together to examine their own economic situations and that of the area of South-East Asia as a whole.

It was a very interesting meeting from that point of view. Here you had people, who not so long ago were responsible to various European powers for their economic development, showing their ability to take it over and run it themselves. They had some very able young economists there on their teams and they were able to discuss economic affairs with some amount of assurance and with a certain amount of ability. I think that is a very useful type of meeting. It develops responsibility, gives them experience in meeting together and examining the over-all nature of their economic problems and how they fit into the world situation. I think it is a very good thing for them, and for us, that we should encourage them to develop in this way and perhaps more Western Nations should send as Great Britain did, an economic team which can talk to them off the record, in the bedrooms and so on, and get them into the ways of thinking of the world's more experienced economists.

I left Rangoon and went to Calcutta. From Calcutta, which I made my headquarters, I visited three quite large schemes. As Mr. McLraith told you just now, the counterpart scheme which has been developed for the area is in my opinion very important.

Our gift of wheat, for instance, was sold in India by the Indian Government and the money was placed in an Indian currency counterpart fund. India does not use that money without consultation with us so they asked us if we would permit the counterpart funds arising out of the \$10 million of wheat to be used on the Mayurakshi project. I therefore went to the project to see what was going on. As Mr. McLraith told you it will, when it is finished, bring 600,000 acres into cultivation—land which has not been cultivated so far for lack of water. However, I think it will do one even more important thing—it will stop the disastrous floods which have wiped out the poor people in that area for generations. They just get going, their lands cared for, their huts built, and down comes the river in flood. Many of them are drowned, their villages are washed away and that has been going on for generations. This particular scheme will stop it.

MR. STICK: Is there any chance of getting a hydro development with that?

THE WITNESS: With that one there is only a small hydro development at the moment. The reason is that Mr. Nehru has issued instructions that food is to come first. India produces on its own 42 million or 43 million tons—(according to the crop) of food grains in each year but it is always 5 million or 6 million tons under consumption. So that they have a permanent 5 million or 6 million ton deficit every year. He has ordered that it shall be made up before any serious consideration is given to hydro electric development.

Mr. COLDWELL: What additional food is this project likely to give?

The WITNESS: I think that was put into the record by Mr. McIlraith.

Mr. McILRAITH: 300,000 tons. It is in the report in any event. I think it is 300,000 tons of rice and 50,000 tons of other added crops. The other project will run 340,000 tons, as I indicated earlier.

The WITNESS: That is right.

I found the project under very able management. The two people in charge were both trained in Great Britain—one at Cambridge University and the other as an engineer in Glasgow. They are very efficient men and they have very efficient teams working under them.

I would like to emphasize the great difference in the development of a scheme like that in Bengal with a project here. I saw for instance, 300 women crawling all over the dam site brushing it off with wire brushes, cleaning out the earth and carrying it out in baskets on their heads. There must be no earth present when you pour concrete and each layer is cleaned off as necessary. This was being done by 300 women where we would have done it with an automatic air compressor or something of that sort. They could obtain a compressor to do that work but, as they pointed out to me, what would they do with all these people? When they start to build a dam site and catchment basin they have to remove the people from the land on which they are working, they have to move them out of the catchment area and some other provision must be made for them, and so they make that provision by using them in the construction work, and I think that is an excellent provision, instead of subsidizing them to do nothing, they use their labour in this way. With the enormous labour market there is there, it is not always practicable nor desirable to use the very efficient machinery we would use here in Canada. This Mayurakshi scheme is an extremely good scheme for us to be associated with. I am satisfied that it will do much good. I am satisfied that it will do what we are trying to do, and that is to help the poor man at the bottom. It will not make any rich men richer, it is a grass-roots approach to the problem of food.

I had a very interesting conversation with the Premier of West Bengal, Dr. Roy who is a most agreeable and efficient old gentleman. He is nearly eighty. He was a very clever surgeon before he became the Premier and he still goes to a clinic every morning at six o'clock and treats people from six to eight, free. He is a bachelor and he has no family worries, so he then goes to his office at eight a.m. and stays till eight at night. I did not meet anywhere on my trip a man more full of vigour and ideas than he is. In connection with this Mayurakshi scheme he is also promoting village industry. He says the two must go together, there must be somewhere for these people to work when they cannot work on their land, and they cannot work on their land during the monsoon season, and then they will concentrate on village industry and that type of work. He is also very interested in co-operative schemes, he told me that one of the great difficulties with more produce will be efficient marketing. It is no use increasing the food production, it is no use putting in village industries, unless you also arrange for the proper marketing of what is produced, and he was proposing to do that on a co-operative basis, because, he said, that was the only basis on which it could be done properly and the products equitably distributed in that particular type of economy.

By Mr. Coldwell:

Q. What is the system of land tenure?—A. It is now being changed; under this new scheme it will be a peasant ownership.

Q. Peasant ownership—small holdings?—A. Small holdings, and there will be no absentee landlords permitted.

By Mr. Low:

Q. Will the government bear the full cost of the drainage irrigation or will the cost be attached to the land itself?—A. The government is bearing the full cost. The only cost to the peasant will be the water he uses, and that has always been so.

Q. A water rate per year?—A. Yes, a water rate per year. Housing may present some difficulty if they go in for a scheme of better housing. Then the peasant might be asked to pay something for his house, but he will not be prevented from building his own house until he can afford to erect a better one. In some places I think they are also going into housing, but not on this particular scheme at first anyway.

Q. Is the individual holding adjusted to the needs of a particular family or are they an average size?—A. They are an average size.

Q. About how large would they be in our acres?—A. It runs anything between 10 to 15 acres, for the larger ones, and then comes down to about, I think, 3 to 5 acres for the smallest.

Mr. COLDWELL: As I understand it, there will be no danger of consolidation of these holdings into larger holdings? There must be some regulatory body or something of that sort to prevent that, perhaps the advent of more modern machinery will result in the consolidation of holdings and the elimination of the peasant. Is something of that sort being done?

The WITNESS: It is something very much in the minds of the central government officials at Delhi. I cannot say that I went into that problem with Dr. Roy, the premier of West Bengal, but it is the type of thing, from what I know of him that he would be very much against, he would not permit any consolidation of holdings. He is very determined that this shall be a peasant scheme. Mr. McIlraith reminds me that when he and I were in Karachi interviewing Mr. Desmukh, the finance minister of India, he said it was very much in their minds and they would prevent any such consolidation.

Mr. FLEMING: What about schools in these areas of development?

The WITNESS: That is part of the scheme. As a matter of fact, I saw the first school in operation. There they are collecting together the children of all of these workers and putting them to school, many for the first time in their lives.

Mr. MACKENZIE: Is their school system a compulsory system?

The WITNESS: They have to be at first a little gentle about that. These peasants rely on the work of their children quite a lot, much more than they should. As Dr. Roy put it to me, it is something concerning which they have to get the thin edge of the wedge in first.

Mr. Low: Are the peasants who are taking up these holdings able to secure implements of better quality than the primitive ones customarily used on farms?

The WITNESS: Might I leave that question until I have talked about two or three other projects. It comes out naturally in one of them.

The CHAIRMAN: I would like to know, Mr. Cavell, if the caste system exists among the pupils in those schools.

The WITNESS: To some extent, yes, but the caste system is slowly but I think, surely, on its way out. It will take many years but it does not assume the importance it once did, particularly not in projects of this nature, but it would be wrong to say that there still is no caste system. On the other hand the central government is determined to remedy the worst features of the caste system and in that they follow the lead given by the late Mahatma Gandhi.

Well, gentlemen, if I might leave that particular scheme and more over to Hirakud. Hirakud is in Orissa and it is a much more ambitious scheme than the

one we have just discussed. It is well under way, and there, again, I met a very clever and dedicated individual running it, Mr. Kanwar Sain who had a very high position in Delhi. This Hirakud scheme was falling by the wayside, it was not going too well, and finally Mr. Kanwar Sain was sent to get it going, and what he has done is nothing short of marvellous. He went to the disposal stores and bought a whole trainload of all kinds of stores at about 9 pies a pound, which is virtually nothing—you could not even convert one pie into our currency. In the lot, he got a railway engine, some trucks, he got some steel pipe—miles of it, that we would love to have here in Canada, as we are very short of steel pipe—he got electrical equipment, miles and miles of cable. I told him that the cable he bought was worth many times what he paid for the whole shooting match. He carried this all back and sorted it out, and as a man who has been in industry I have never seen stores better kept. He has done it on the well-known industrial card bin system and I say all this, gentlemen, to emphasize what I said in the beginning, that these people are really going places, they are taking hold and doing things. He not only bought the stores but he bought the sheds in which the central government had them housed, enormous great sheds.

Mr. COLDWELL: Were those supplies left by the British?

The WITNESS: By the British, the Americans and the Indian government. He carried all these supplies back to Hirakud, erected the sheds, sorted the stores, and he now has enough electrical equipment, enough tools, enough lathes to set up a very fine workshop. At an incredibly small outlay of capital he has obtained a large amount of equipment ready to use. India needs many more such men and in Pakistan lack of trained men is an even greater problem. There is a serious shortage of trained men in the whole area and that emphasizes what Mr. McIlraith said, we are now changing our views, it is there in the area where the problems are and we must try to send more men from here I think in the end that will prove to be more effective than bringing their men over here, because one expert sent there, can train thousands if properly organized. We have not made up our minds yet entirely in my division, and obviously there will be exceptions but we are coming around to the view that one expert sent there is probably relatively better than their students coming here in the large numbers they have been coming.

Mr. FLEMING: Is it cheaper to do it that way?

The WITNESS: I believe it is cheaper. You save passages. Yes I think in the whole it is cheaper.

Mr. STICK: It is cheaper, also, to live there, anyway.

The WITNESS: Yes. For instance, it was pointed out to me when I was in the area that men trained here find our high standards a handicap when they get back. They train with very modern equipment, are given every kind of tool that can be thought of and when they get back, have very little of this modern equipment. We train them to work under conditions which exist here and not there, and in many cases they tend to become discouraged and dissatisfied. That will change gradually, but it will take some time. So much for Hirakud which is an excellent scheme. (At this point discussion continued off the record). Then, gentlemen, I went to Madras and on to Colombo. Last year we gave no aid to Ceylon. That is no capital aid, we did give them technical assistance, experts from here, and training for some of their people as Mr. McIlraith has already told you. They asked for capital aid too late and we had already distributed our \$25 million as between India and Pakistan. They have asked in time this year if we will help them with their fishing industry and with a village scheme which they need very badly. It is a scheme whereby they will divide the whole of Ceylon up into village areas, then they will take the areas one by one and try to raise the living standards

of the people in each area by putting in new tools, digging deep wells for pure water and irrigation, perhaps small pumps to take the place of the present bullock wheels which will only raise water from very shallow depths. They will extend this kind of thing up into what is now a dry area where there is no irrigation at all, and they hope in this way gradually to raise the economic standards of all the villages in Ceylon.

Mr. COLDWELL: Is this the area which was irrigated some centuries ago?

The WITNESS: Much of it is, Mr. Coldwell, yes, and it then went out. I might mention one interesting thing here, gentlemen, which is something that one of the United Nations experts told me: In the sixteenth and seventeenth centuries, when the kings of Ceylon put in an irrigation system, they did a perfect engineering job, and the great catchment tanks are in exactly the places where, if modern irrigation experts had to do the job today they would put them again.

Mr. GRAYDON: How many years ago was that?

The WITNESS: That was about the end of the sixteenth century they put them in.

Mr. COLDWELL: When did they go out of existence?

The WITNESS: They have not gone out of existence but have silted up because they have not been properly looked after. They have silted up and are no longer the catchment basins they once were so much of the fresh water is running into the sea. United Nations experts are now considering the use of funds to dig these tanks out and so restore them to what they once were, the catchment basins of Ceylon. When this has been done it will have the effect of raising the water table, and once you raise your water table a large amount of irrigation will be possible which is not possible now.

Mr. STICK: Is there any chance of boring artesian wells there?

The WITNESS: Yes, that will be the type of well which will be brought in, but there is no sense in doing that until you have a proper water table. It is the restoring of the water table which must be the first consideration. After the United Nations do that job, and we, and the various other countries contributing to the Colombo Plan take over this village rehabilitation, much would be done to restore the agricultural economy of Ceylon.

Here gentlemen, I went up to Delhi and discussed a number of projects with the officials there. I found a quite a lot of competence, people who knew what they were talking about and who had studied their problems very profoundly. You will find in the report of the Consultative Committee of the Colombo Plan when it is tabled, some useful information in various schemes, so I will not go into that matter in detail now as there is not very much time left.

I would like, now, to move to Pakistan. The problems that Pakistan faces, as Mr. McIlraith has already indicated, are very severe. They started their country—only a little better than four years ago—from scratch and what they have done in four years is nothing short of marvellous. They are faced, as Mr. McIlraith also told you, with the rehabilitation of 7,000,000 refugees. Most of these refugees have nothing, they arrived from India and have to start their lives over again, political refugees always are a problem, and something must be done for them and done quickly. The principal thing that is being done is to develop the Thal area. Seeing The Thal area took me back to my old stamping ground, the Punjab, and to understand what is being done there a little background is necessary. There are five main rivers in the Punjab in fact the word "Punjab" means five rivers, and it is these rivers and the irrigation schemes which have been, and are being built on them which makes the Punjab so important to the economy of Pakistan.

(At this point the discussion continued off the record).

The Indus is a river which rises in Pakistan, and therefore it is 100 per cent under Pakistan's control. The Thal development is being built up on water from the Indus. I saw a new Barrage which has been built recently and which is now diverting water down channels which enables a certain amount of the Thal area to be irrigated now. The man in charge of the Thal Development Authority is a real human dynamo, Mr. Zafar-ul-ahsan, a most remarkable man; he is a Pakistani civil servant, and he has nearly taken hold of this Thal development, and is working on it night and day. He has done incredible things. He has brought three model villages into existence, Mrs. Roosevelt went there and opened one of them when I was in Pakistan. The housing which he has put up there is not only remarkably cheap but also remarkably good. Moreover, he is associating certain industries with each village; it was he who sparked the request to New Zealand, Australia and Canada, that we get together and develop a model livestock farm for them because very rightly, he says that it is useless to get all these refugees settled unless they can have farm animals of the best type to work with. We hope to develop animals for that purpose on this model livestock farm. A Pakistani Veterinary Surgeon who was educated at the Royal Veterinary College in London has been put in charge of this farm. He has spent all his life in the Punjab, and he has been able to get together a herd of buffalo, both for work and milk and other animals such as sheep and poultry. He is getting some poultry from North America, and he is crossing them with indigenous poultry. He is also working with sheep, cows, and some horses.

Mr. STICK: Where is he getting the sheep?

The WITNESS: He is getting them locally but he is trying to introduce a merino cross, but he is running into international difficulties there because Australia will not allow any merino sheep to be exported.

Mr. STICK: I think we should remember that the sheep up in the Khyber produce the finest wool in the country.

The WITNESS: He thinks he can improve on it by importing and crossing with merino; and he is going to try to do so.

(At this point the discussion continued off the record).

Mr. MACKENZIE: When you referred to buffalo, did you mean water buffalo?

The WITNESS: Yes; the buffalo which do the draft work, and plough, and so on, but they also milk and a dual purpose animal is being developed.

Mr. COLDWELL: Are they doing anything such as is being done in Texas, crossing them with our type of animals?

The WITNESS: That is a point I know he has been discussing with the representative from Australia who is there now and who is an animal husbandry man. At the experimental farm which I started in the Punjab all kinds of crossing experiments were carried out and some of the cattle he has collected for his experiment came from that Area.

This Thal area, gentlemen, I think is going to be a very great asset to Pakistan. It is going to carry irrigation as far as the present canal system, and it will mean that right across the Punjab area there will be irrigated land which will, when it is all in production, feed a large number of people.

By Mr. Fraser:

Q. At the present time there are two Pakistan engineers in Canada checking on the different canals, and especially on the Trent canal to see what can be done. They were in Peterborough on the 5th and 6th of this month.—A. That is right, the Pakistan Government sent them out. I know about them, sir.

Q. They checked the Rideau canal, but it was of such ancient date that they have now gone to the Trent canal, because it is more modern, and they want to have a system of control similar to it.—A. I think they are studying navigation.

Q. They were sent here. They are assistant directors of the Pakistan Central Engineering authority, and they were sent here to examine our internal navigation system.—A. That is right. They are studying navigation and trying to find out to what extent, by slightly deepening their irrigation canals, they can also install a navigation system. That was their prime objective. Unfortunately the land which is going to be brought into production in the Thal area is land which will not hold water. The water simply runs right through it. So all these canals have to be lined, and it is very expensive. But that is the only way to do it.

Mr. Low: What are they lining them with?

The WITNESS: With cement; they will make a lining right along the canals to prevent the water from running away. Once these linings are put in, they will last for a very long time; but to do that job and to build new villages and these canals, they must have cement in very large quantities, something which they have not got in the Thal area. But they do happen to have in that area enough raw material which goes into cement to last for at least a thousand years. They have mountains of good lime, stone and so on, and so they asked us for a cement mill which would utilize this material and produce the cement there. As you all know, cement is very difficult and expensive to transport. The cost is prohibitive. We examined the matter very carefully and we are giving them the cement mill.

We had one of the finest experts on cement mills, a man from the Smidth Company of New York, who happened to be in Bombay at the time, go to the site to make sure that it was as the Pakistan Government had said. I saw that expert in Pakistan and he told me he had never seen a better site for a cement mill, and that we could go ahead.

Mr. COLDWELL: What about getting technicians for it?

The WITNESS: That is a big problem. We are working on it now. The preliminary engineering is being looked into, bying a cement mill is not an easy matter because there are processes which are held under certain patents; but we are now overcoming the difficulties, and the mill will be built in Canada. The firm which gets the contract will have to give an undertaking that they will provide technicians who are trained in the operation of the machinery. Also we will bring in some Pakistani technicians to go to existing cement mills and learn the process. The process which is already operating in Canada is the process which will be used in Pakistan, so we are asking some of the existing cement mill operators to take on some Pakistani for training. We think we shall have to send out at least three experts in the first year, who will be able to show them how to run the mill.

Mr. STICK: They learn pretty quickly, once the thing starts.

The WITNESS: I think it is a very useful way to spend the money, because it is so fundamental. If they have not got cement, then they cannot do all the other development which they want to do to house all their refugees. I do not think there is anything more to say on this matter.

Mr. Low: Did you not say that you were going to discuss machinery?

Mr. FLEMING: Yes, and tools?

The WITNESS: Oh, yes. That brings me to the technical cooperation side. As I have said, I have started to change my mind about the policy of bringing large numbers of people here. I think there is a certain value in but consider for example a tractor school. One or two people can be brought here for training.

But the numbers who must be trained to run that type of machinery amount to thousands, so it is very much better to set up types of training such as tractor schools, out there and to send our experts from here with the necessary demonstration equipment, and then just run those people through the mill. We can thereby train thousands of operators.

Mr. STICK: I agree. Hear! Hear!

The WITNESS: And I think the same thing might apply to agricultural colleges. For example, in the Punjab there is one very difficult problem and that is salt. In some of these irrigated areas, the water goes right down into the land. The temperature may be as high as 110, 115 and sometimes 120 degrees; and the heat from the sun just draws the moisture up through the earth, and with it draws the salt, and so you get brackish areas where nothing will grow.

Mr. COLDWELL: They have even got them in western Canada as well as in the western States.

The WITNESS: The experts tell me that there are ways to lick that problem, but they think it can best be done on the spot. It is a research problem and it must be "researched" on the spot by building up the necessary technical institutions to do research on it there. I am more and more inclined to the view that these people can best be assisted by setting up their own research organizations with our help so that when the Colombo Plan is through we will leave them with more equipped research organizations and staffs to run them. I think that is a much better way to help them and aid them than by bringing students over here, although of course we must bring some where benefit can be obtained.

Mr. FLEMING: It sounds like getting better value for the money.

The WITNESS: Yes, it is getting better value for the money.

Mr. FLEMING: And it is fine to be able to say that that aid is coming from Canada, a sister nation in the commonwealth.

The WITNESS: Yes, that is another aspect of it.

Mr. GRAYDON: Before Mr. McIlraith and Mr. Cavell leave a subject which has been most instructive and most interesting from both their point of view as well as ours, there is one thing which I think sometimes confuses the public and which perhaps ought to be cleared up by the two witnesses today. You have the Truman Point Four, and the United Nations program for technical assistance and general assistance in Southeast Asia. Then you have the Colombo Commonwealth Plan. I think people become confused between the policies emanating from both sources, and they are rather interested to know how those various plans are working together in the same pattern and policy. Would you mind clarifying that for us before you leave?

The WITNESS: Yes, sir, that can be clarified. We are in the process now of working it out. Co-operation started before I went out to the East. I participated in various co-operative meetings there; and I am going to Washington shortly—sometime in June—in order to participate in further co-operations. We are carrying out now a series of meetings which will knit these programs together. The aid really is a little different in each case. This co-operation is very necessary and we are carrying it forward. For instance, the United States can do more with a certain type of thing than can Great Britain. Australia and New Zealand are agricultural countries, so the type of aid which they can give is extremely valuable, but not industrial. On the other hand, the type of aid which we can give is probably more industrial than it is agricultural.

Mr. STICK: I think you had better qualify that statement. Do not forget that Canada is an agricultural country. What you meant to say was that Canada was not a tropically agricultural country?

The WITNESS: Yes, that is right; and by this co-operation, Mr. Graydon, I think we can dove-tail the aid together and thereby make it give more direction and so make it more valuable.

Mr. GRAYDON: Has there been any over-lapping in connection with the two plans?

The WITNESS: I think the whole thing is too new for much serious over-lapping to have taken place yet, and co-operation will further prevent it. Our position in all this is that we, in the Colombo Plan, are supplementing the efforts of the United Nations.

Mr. COLDWELL: Mr. Chairman, it is now 1:00 o'clock. Would it be possible to have Mr. Cavell come back again? The members of the committee might want to ask him some more questions. I know that Mr. McIlraith's time is very occupied.

Mr. STICK: Could we have another meeting today, Mr. Chairman?

Mr. Low: Maybe not; but two hours have gone by now in what I think has been a most instructive experience.

The CHAIRMAN: It certainly has been!

Mr. Low: I would like to see Mr. Cavell come back.

Mr. GRAYDON: Might I suggest that if it meets the convenience of Mr. McIlraith, Mr. Cavell and the members of the committee, that we meet again today and finish this study while it is so fresh in our minds or perhaps some other time would suit them better.

The CHAIRMAN: Mr. Cavell won't be able to come back today but we could call him on Monday, and if it meets the wishes of the members of the committee we will call him back next week.

We want to thank Mr. McIlraith for his very fine presentation of the matter and we also wish to thank Mr. Cavell.

May 19, 1952.

4.00 p.m.

The CHAIRMAN: Order, gentlemen. I am sure we all listened with pleasure to Mr. McIlraith and Mr. Cavell when they made their very interesting statements at our last meeting.

Before we proceed I would ask your permission to put in as an appendix to the Evidence a letter we received from the United Nations Associations in Canada. Would that be satisfactory? You all have a copy of the brief which was presented to us.

Agreed.

Now, Mr. Cavell or Mr. McIlraith, will you proceed, please?

Mr. MCLRAITH (Parliamentary Assistant to the Minister of Trade and Commerce): I have nothing more to add to what I said the other day.

The CHAIRMAN: Mr. Cavell?

Mr. Nik Cavell, Administrator, International Economic and Technical Co-operation Division, Department of Trade and Commerce, called:

The WITNESS: I do not know, Mr. Chairman, that I have anything to add to what I said at the last meeting. Unless there are some questions, I think I covered the subject thoroughly. I shall be very happy to cover more of it, or to do anything I can, if there is anything else anyone wants to know.

The CHAIRMAN: I believe that is a reasonable offer on your part, Mr. Cavell, because you covered the ground at our previous meeting, and what you said was very instructive and right to the point. Is there anything anyone would like to elaborate on?

By Mr. Fraser:

Q. What besides the \$25 million is Canada giving? We have other commitments besides this \$25 million?—A. Yes. We are giving \$400,000 to the Colombo Plan for technical assistance, and \$850,000 to the United Nations for their technical assistance programme.

Q. That \$850,000 to the United Nations—that does not come under that one section that the Colombo Plan covers?—A. That is given to the United Nations for technical assistance.

Q. And that \$850,000 for the United Nations, that is not just going into the Colombo Plan, it is used for other things as well?—A. The United Nations use it where they think fit; for instance, with that money they send here for training people from Europe, people from Asia, or from anywhere else.

The CHAIRMAN: We are now having a question period, Mr. Graydon. That is what we decided upon before you came in.

The WITNESS: They send people here for training from wherever there is a need and they get experts from wherever they can get them including Canada, and they send them wherever they need them for their schemes of technical aid.

By Mr. Graydon:

Q. Did you have an opportunity, Mr. Cavell, of investigating the ETAWAH scheme, which is an agricultural adventure by the United States.—A. Mr. Horace Holmes?

Q. I am not sure.—A. Yes; I think you refer to Mr. Horace Holmes work. He started what is called the ETAWAH Project. It covers about 100 square miles near New Delhi and it is a very good Point Four scheme. Mr. Holmes went there and showed these people how to plow, he showed them how to use better tools, he showed them how to use better seed. It was really one farmer from the United States talking to other farmers in India and pooling their knowledge. It was not a scheme which required any very great amount of capital. It was simply a grand, friendly gesture on the part of this Mr. Horace Holmes, who seemed to have the ability to get on with these people. Other experts have now been recruited and I believe Mr. Holmes is now supervising the scheme from Delhi, and which is being expanded.

Q. Are there any agricultural colleges, as we understand them, in India capable of turning out agricultural people in animal husbandry, soil conservation, and the like?—A. Yes, there are one or two, but they need very many more and I feel very strongly about that. I think one of the most practical ways of assisting we could organize between us, that is, between ourselves, the United Nations, the Point Four and the Colombo Plan, would be to erect more agricultural colleges, tractor schools, research institutes, and so on and so forth, have them built, equip them and then leave them for these people to run. It seems to me that is a permanent type of assistance which should be of the utmost value to them.

By Mr. MacDougall:

Q. May I ask, Mr. Chairman, if such a scheme were promulgated and eventually consummated in the foreseeable future, would there be sufficient of the native students there to carry on that progressive work, or would it possibly go down the drain?—A. I think in the new mood, and in the new

spirit in which these people find themselves, which I talked about the last day I was here, it would most certainly go forward. After all, you must remember they have been running, and are still running very fine universities, and these institutions would be in the nature of universities, agricultural universities.

Mr. GRAYDON: Of course, Calcutta University is the largest university in the Commonwealth, I am told.

The WITNESS: Yes, and being able to run universities they could equally well run these institutions. They have, of course, produced in the past some very fine scientists.

By Mr. Murray:

Q. I wonder if the witness is familiar with the school started by Mr. Tagore in India?—A. Many years ago I was.

Q. He visited Victoria on one occasion and explained the need for modern agricultural work over there. When did you visit there?—A. I was there about the year 1926, and it was then a well established institution, and it is still running.

Q. At what point in India is that?—A. That is at Calcutta.

Q. The name of it—do you remember?—A. The name of it was, and I think still is, Santiniketan.

Q. This man was an aristocrat, also a poet, and a very wealthy man. I understood he gave his fortune to the development of the school and he hoped to model it along the lines of Macdonald College at Ste. Anne de Bellevue. He sought some help from the Canadian people at that time. I remember General Odlum of Vancouver was one of his friends. I wonder if anything came of that?—A. Yes, there is a fine institution there.

Q. Isn't that a place where some of this money could be profitably spent?—A. I think, sir, it would be better to start new ones in the area where developments are now going on. For instance, I did mention the Hirakud scheme on Friday last. In connection with the Hirakud scheme there is the beginning of such an institution. They have machines there where they are testing cement and every cement mix they make for the dam is tested in this new institute they have started there. They are carrying on three experiments. An experiment with mud is one of them. Many of their houses are adobe houses, built with mud, but they are experimenting and have found out that if they mix bitumen and other materials with the mud the houses do not wash away during the heavy Monsoon rain. That kind of practical work is going on there now. They are carrying on some tree experiments which are interesting. They are finding that by feeding a tree with a certain chemical before it is cut down the white ants won't attack the wood. These ants go up the centre of posts, and the post eventually has nothing inside it and in that condition it collapses. These ants attack everything of wooden construction. They have discovered at Hirakud that this chemical can be fed to the tree and the tree then will not be attacked by white ants, which is a very valuable discovery. That kind of thing is going on in this very new institution which has been founded at Hirakud.

Mr. GRAYDON: Do you want to follow this question further, Mr. Murray?

Mr. MURRAY: No.

By Mr. Graydon:

Q. I am interested in one thing in connection with agricultural production there. You, no doubt, Mr. Cavell, have given a good deal of thought to the ultimate with respect to production of agricultural products in India. When the production in India in a generation, or whatever it may be, is brought up to something similar to our own production, if that is possible, will there

then be enough food to feed the hungry millions and hundreds of millions in that area and in India? That is a thing that has been argued in many quarters and perhaps we ought to have your opinion with respect to that.—A. In answering that question I would sooner put forward the opinion of Dr. Dudley Stamp. He has just written a book called "Land for the Tomorrow". In that book he states that actually the rate of increase in population in America is more than the rate of increase in India, percentagewise, of course. It is true that even a lower percentage in India results in more people. He goes into some very interesting figures, which would certainly seem to show that this is a world problem, and if we do not do something about it we are all going to find ourselves short of food, not only in India but everywhere. I think it will have to be considered on a world-problem basis and not on an India-problem basis or on a Far-East problem basis.

Let me quote from:—"Land for Tomorrow" by Dr. Dudley Stamp, pages 25 and 26.

Let us look at India and Pakistan, which together have one-fifth of all mankind. These two countries illustrate some of the many difficulties in the analysis of population increase. The decennial census figures represent a degree of accuracy high for a territory outside Europe or the English-speaking world. The annual increase for the decade 1931-41 is given as 1.41, yet FAO uses only 1.0 as the figure for 1937-47, and this is the value used in constructing Figure 2. The lower figure is justified by the marked drop in crude birth rates from a peak of 35.4 per one thousand in 1933 to a low of 25.8 in 1944. On the other hand, the crude death rate ranged from a peak of 24.5 in 1934 to a low of 18.7 in 1946; in 1933 it was 22.1 and in 1944, 24.4. Thus the net gain was 13.3 per one thousand in 1933, but only 1.4 in 1944.

But the absolute figures are still huge. Between 1931-41 the population of India and Pakistan increased by 48,000,000, from 341,000,000 to 389,000,000 persons. In the one year 1933 the increase was about four and three-quarter million against only a little more than half a million in 1944. Such fluctuations reflect the intense crowding and pressure on land and natural resources, with the ever-present danger of famine and consequent death from starvation or the incidence of epidemic diseases and the still imperfect availability of medical services. In the last few years large scale population movements between Moslem Pakistan and Hindu India have added to the confusion. . .

Thus in the postwar family drive Americans were having as many babies as Asiatic Indians who scarcely know the meaning of birth control. Owing to the much higher survival rate, the American population is growing at a far greater rate than India's "teeming millions."

Q. My point is perhaps not the point you are following now, Mr. Cavell. My point is this. Supposing the Indian population were to remain stationary for a generation, would there be a possibility, by increasing the measure of production there, of putting the people of India on anything like a reasonable standard of subsistence?—A. Yes, undoubtedly. At the present time in a normal year they produce 40,000,000 tons of food grains a year. That is only 5,000,000 tons short of their minimum requirements. Now, I think you will remember that on Friday I mentioned the Mayurakshi scheme, which is going to produce some 350,000 tons. Then there is the Hirakud scheme, which is going to produce more. So, you see, there the food tonnage begin to creep up. There are 10 or 15 such schemes, so you see it would not be impossible to increase production by the 5,000,000 tons that they are short if all these schemes can be brought into production. So I think the answer to your question is, that undoubtedly, providing, the increase in population can be kept within reasonable bounds, the country could be made self-sustaining.

By Mr. Murray:

Q. Would you not have to change some of their religious beliefs?—A. You mean to keep the population within ordinary bounds?

Q. I understand that the sacred cow is quite a problem in that country; that it is supposed to be wrong to shoot a mad dog or to kill any sort of animal.—A. It would of course help a cat to get the cow problem under control, and there Mr. Nehru has been very courageous. He himself has pointed out that Indians cannot expect that other people will subsidize and help them if they follow practices which do not aid the food production of the country.

Q. I understand that Mahatma Gandhi was leading a campaign against the keeping of dogs, that is, dogs suffering from rabies.—A. Yes, I think he once said something about that.

Mahatma Gandhi led several campaigns which got him into trouble with more orthodox Hinduism. It was probably his fearlessness in such matters which finally led to his assassination.

Q. Because he was trying to clean up the dog problem—I think that preceded his assassination?—A. He was if I remember rightly working on the untouchable problem when he was assassinated.

Q. One of the details of his work was urging on the municipality the necessity to get rid of those dogs running around biting people. About a thousand people were suffering from maladies as a result of bites by these dogs. The high caste people wanted to protect the dogs. I understand that Mahatma took a strong stand against the dogs and wanted to see them destroyed.

The CHAIRMAN: Is there quite a good balance between the good forest areas and the good land areas?

The WITNESS: No, sir, forest areas are comparatively smaller but development is receiving attention.

Mr. MACDOUGALL: Would Mr. Cavell express an opinion with respect to those thousands of years that the natives of India have indulged in religious beliefs and various sect beliefs? Would you care to express an opinion as to how best that might be overcome? Would it be by way of missionaries or religious teaching, or by the objective method of trying to raise the standard of living which would put them in a much better position physically and mentally to carry on the additional work necessary in India—to bring their people up to even a comparative standard with what we have on the North American continent?

The WITNESS: Mr. Chairman, I hesitate to pass opinions on religious matters.

I do feel that these measures that are being undertaken to grow more food will be extremely helpful, and I certainly feel one of the answers at least to the question you raise is that of education—better general education, better health measures, and so on will inevitably lead to better conditions no matter what the religious practices may be.

By Mr. Fraser:

Q. Might I ask a question? I understand that under the United Nations scheme they did put in apartment houses over there in India but the people would not live in them. Then, they eventually put up houses more like the native type but still they would not live in them—no one except the students. The people themselves do not like houses excepting their own thatched kind, and they prefer to sleep on the streets. Is that so?—A. Oh, no, sir.

Q. I understood that was so—for some of those peoples anyway?—A. No, sir. I must take exception to that statement because actually a great many apartment houses have been built in all the big cities. They are fully occupied.

Q. Mostly by students and people of higher caste?—A. No, they are occupied by all kinds of people. The very poor people, of course, do not live in apartment houses.

Q. No, that is right?—A. They live in huts, but in many areas—for instance in the That area I was speaking about on Friday new housing is being very readily taken up by the poor people. I think undoubtedly they will move to better housing when it is provided.

For instance the companies on the rubber and tea estates have provided better housing and the people have certainly taken it up with great avidity.

Q. Those are people who have actually worked there?—A. Labourers who work on the rubber estates and the tea estates.

Q. But I understand that in some of those large cities the poor people mostly sleep on the streets?—A. Only because they do not have anything better.

Q. I understood it was because they did not want anything else?—A. No sir I think they sleep on the streets when unfortunately they have to. They would all live in better housing if it could be provided.

By Mr. Stick:

Q. Can you tell me the natural increase in population in India today?—A. I would be very glad to fill that into the record. I have it somewhere but I cannot give it very accurately out of my head.

Q. Can you tell me the illiteracy in India at the moment?—A. Yes, I think the figures of those who can read and write is 14 per cent.

Mr. DECORE: What is the official language?

Mr. STICK: Just one moment, please.

By Mr. Stick:

Q. The other day we were talking about Mr. Nehru saying it was necessary to feed the people first. The problem is not to concentrate on universities but to concentrate on the local building of schools?—A. That is being done, sir.

Q. You agree with that?—A. Yes, absolutely, that is being done.

Q. There was a problem about religion that was just raised. It is a very difficult thing for the western mind to conceive the eastern mind as far as the Hindu religion is concerned—and the different branches of the Hindu religion. Where you have centuries of prejudice and centuries of religious beliefs, fanatical in many instances, to change overnight is impossible, as you know.—A. Yes, sir. I agree with that.

Q. It would be ridiculous to try. It would be a long process, a very slow process. We are approaching the problem here in asking you questions from the western standpoint. You know that if you want to understand the east you have got to understand it from the eastern standpoint, and not from the western standpoint.—A. Right, sir.

Q. It is difficult for the westerner because he does not understand the east. We are a material people here and they are a mystical people.

If you want to understand the east I think you will agree that you have to understand their mystic outlook on life. Their appreciation of time, for instance, is entirely different from ours. Time means everything to us but time means very little to them, ordinarily speaking.

If I may express an opinion, Mr. Chairman, the work on the Colombo Plan as inaugurated both in Pakistan and India or Hindustan as they call it is very worth while. The problem, as Mr. Cavell knows, is tremendous. It is something that you can be working on for years and years and see very little results in the over-all picture, but it is work which we must of necessity carry on and we must do all we can to help these people. Whether we shall ever succeed in

making India self-supporting is a matter of doubt as you know. We can, and we have no choice but to do all we can to try to strive toward that. There you have a tremendous mass of people who have lived in a semi starvation state for generations, but if they are ever organized and ever get going they are going to ask for their place in the sun. For the good relations of the world, particularly between the west and the east, we have no choice but to carry on this work.

I think from what I have heard Mr. Cavell say, and from the instances he has given, it would appear he has given us the good instances. He does not want to picture the other side of the story and neither do I; but the work there is of such a colossal nature that you may be working for years and years and not see results—but suddenly you will get results.

So, I say here today do not be impatient. The people of the east are people of infinite patience and I think if we can prove to them that we are desirous of helping them—and helping them to help themselves in the way they want it and not in the way we want—I think we would be achieving the object for which the Colombo Plan was set up. Do you agree with that?—A. Absolutely, sir.

Mr. DECORE: What is the official language in India.

The WITNESS: The official language of India is Hindi, and the official language of Pakistan is Urdu. They are both using English to a large extent, because, as you know, there are some 18 major languages in the country.

Mr. STICK: What about the 300 different dialects?

The WITNESS: Yes, there are about 300 different dialects; English is being used by both India and Pakistan at the present moment at high levels of learning and Government.

The CHAIRMAN: There was quite a commotion created, I believe, a little while ago because of the low-grade wheat which we wanted to send to India not being acceptable to the Indian Government; and I understand that Russia at that time wanted to make a show. Do you know if they actually did something to help the Indians, in so far as famine was concerned?

The WITNESS: I believe they did either offer or send them some wheat, but I am not sure.

By Mr. Stick:

Q. Did they not send some rice from China?—A. Yes, I believe they sent them some rice from China, but I am not very certain about this matter.

Q. Wheat is not eaten by a tremendous number of people in India. The staple food in south India is rice; and it is only in the northern areas where they eat wheat.—A. That is right.

The CHAIRMAN: Wheat could be used for feeding chickens and hogs, and so on.

Mr. MURRAY: What do they use hogs for in India?

Mr. JUTRAS: We did send some wheat, did we not?

The WITNESS: We did send some wheat under the Colombo Plan, \$10 million worth; that was our gift last year, or part of the gift, and it was high grade wheat.

Mr. GRAYDON: There was one thing which did cause some misunderstanding in his country. When local wheat was offered to India at a time when the famine was at its height, the Indian government decided not to accept it. Consequently, there was a feeling here that that decision was ill advised. Perhaps you could clear it up for us.

Mr. MURRAY: Perhaps it was low grade or tough. Would they not have some religious scruples about using it?

The WITNESS: No, sir, I think not religious scruples. I am not absolutely certain about this, but I believe the reason it was rejected was that its moisture content was too high. When wheat has to move across the Indian continent in closed trucks, and in that terrific heat, unless the moisture content is just right, it will all spoil. So I think that was the reason that particular wheat could not be used.

Mr. STICK: It was not of the right quality.

The WITNESS: No, I believe it was not of the right quality, and would not have travelled from the port of landing to where they wanted it. And if that was the case—and I believe it was—it is a very great pity that it was not made more clear at the time.

Mr. MURRAY: So it was not ingratitude.

The WITNESS: No, it was not ingratitude, but the fact that for some reason or other the particular wheat offered was unsuitable for their purpose.

Mr. STICK: And we did not have the right quality of wheat to offer them at the time. I think the Minister of External Affairs explained about it.

The CHAIRMAN: A question was asked if we might find out whether or not Russia changed her gesture of helping India, after she got started. I suppose you would not know, Mr. Cavell?

The WITNESS: I do not know, sir.

By Mr. Jutras:

Q. Was this low grade wheat of which you have spoken part of the Colombo Plan, or was it an outright gift?—A. It was not under the Colombo Plan.

Q. It was to be sent in lieu of our contribution, or as part of our contribution under the Colombo Plan?—A. The wheat concerning which the chairman raised the question did not have anything to do with the Colombo Plan. The \$10 million worth of wheat which we gave them last year under the Colombo Plan was high grade wheat, which they accepted gladly.

Mr. GRAYDON: I understand that the low grade wheat was offered as an emergency measure, and it had nothing to do with the Colombo Plan.

Mr. MURRAY: Does the witness consider that it would be good policy to try to train them in the use of a western product such as wheat, that is, in cooking and manufacturing it? Should we have dietitians go over there to explain the uses of our flour and to assist them in breaking down some of their ancient ideas regarding diet, with the end in view of adopting some of our western products?

The WITNESS: Actually, where they use wheat, they are, perhaps, a little better off than we are in the use they make of it. For instance, they use the whole wheat and make a chappatti of it. But we do not use the whole wheat, I understand, by any means. We take certain vitamins out and then try to put them back in again. So I think as far as the wheat eating peoples of India are concerned, they, perhaps, could teach us something.

Mr. STICK: When you are eating foods in the East, you must eat the foods which are suitable in the East because you cannot live, for example, in India and eat western foods. You must adopt the native mode of diet as far as possible. Mr. Cavell knows that.

The CHAIRMAN: Do they not use bread at all?

The WITNESS: No. They make a chappatti, a sort of unleavened bread, of wheat. But billions eat rice. They grow large quantities of rice, and they import it from Burma and elsewhere. It might be better not to teach rice eating people to eat wheat, even if it could be done, which is doubtful.

By Mr. Murray:

Q. What can they eat, then, if they cannot get rice?—A. I think normally they always can get rice because there are many areas in the tropics which will grow rice but which will not grow wheat.

Q. Then these reports of famine are not so?—A. Yes, sir, there is famine. Whenever they get enough water, they can grow rice. But when they cannot get enough water, then they cannot grow anything.

Q. And then they do not get their rice.—A. That is right, they do not get their rice.

Q. I understand that when rice was very dear, they could buy wheat from western peoples?—A. That might be so, but it is extremely difficult to get rice eating people to eat wheat.

Mr. STICK: If you switch those rice eating people over to eating wheat, in view of the fact that they have been rice eating people for generations, you will have them all sick on your hands.

The WITNESS: Yes. It is very difficult to switch rice eating people to wheat eating people.

Mr. MURRAY: You say "wheat eating", not "meat eating"?

The WITNESS: That is right, "wheat eating."

The CHAIRMAN: We appreciate very much indeed what Mr. McIlraith and Mr. Cavell have said, and we appreciate their presence here today. I do not think we shall have another meeting until we receive the order of reference in connection with the Japanese Treaty which will likely be next week.

Mr. MCLLRAITH: Mr. Chairman, I would like to add one thing which I did not deal with the other day. In all the arrangements for The Colombo Plan conference at Karachi, which was the first international conference held in Pakistan, I would like to say that we had every sort of courtesy and every bit of cooperation that could be given to us throughout the whole affair. It was rather interesting also to see them at this first international conference stand up so well.

By Mr. Stick:

Q. Mr. McIlraith and Mr. Cavell, can you answer this question how does our prestige stand with India and Pakistan today?—A. I think very high.

Q. I had an idea it did. You will give me the figures on the population, will you? Hand them to the chairman and he can put them on the record?—A. Very well.

Mr. MACDOUGALL: Why not let Mr. McIlraith finish his statement?

The CHAIRMAN: Mr. Cavell will put the figures in the record.

Mr. FRASER: Is Mr. MacDougall through with his questions?

The CHAIRMAN: Yes.

By Mr. Fraser:

Q. I just want to ask, there are \$400,000 technical assistance? I understood that was annually?—A. \$400,000 under the Colombo Plan is correct.

Q. Yes, you said that was annually?—A. Yes.

Q. Well, we are only committed to that year by year?—A. Only year by year, We gave it in 1951-52 and we have given it again in 1952-53.

The CHAIRMAN: Will you leave the next meeting to my discretion.

Agreed.

APPENDIX "A"

UNITED NATIONS ASSOCIATION IN CANADA
ASSOCIATION CANADIENNE DES NATIONS UNIES

National Office
163 LAURIER AVE. W., OTTAWA
2 - 0507

340 McLeod Street,
MAY 9, 1952.

TO THE EXTERNAL AFFAIRS COMMITTEE
OF THE HOUSE OF COMMONS

When UNICEF, the United Nations International Children's Emergency Fund, was established in December, 1946, it was with the sole purpose of helping to meet the desperate needs of children. UNRRA was being liquidated and the Council of that organization recommended that a United Nations fund be created to continue aid to children.

During the first post-war years, UNICEF provided millions of children with essential supplementary foods, such as dried milk, that were not available in the countries concerned, also textiles and leather for clothing and shoes, thus saving the lives and protecting the health of vast numbers of children in those countries that had suffered most severely from the war. Health services early became an important feature and, now that the need for feeding programmes has greatly lessened, it has been possible for UNICEF to transfer its major attention to long-term projects in the field of child health which are urgently needed in many countries, not only those that were devastated by the war.

Perhaps the most dramatic achievements have been in the mass campaigns against certain diseases which are particularly dangerous for children. The most extensive has been the B.C.G. vaccination programmes against tuberculosis. When we consider that the World Health Organization estimates that tuberculosis has fifty million victims annually and five million deaths, the impossibility of attempting to treat these cases, particularly in poor and under-developed countries, is obvious. If, therefore, you can prevent large numbers of children from developing the disease, it may in time be reduced to manageable proportions, and the cases given adequate treatment. When the most recently approved B.C.G. programmes are completed, nearly sixty million children will have been tested and probably half that number vaccinated.

Successful battles against malaria have been waged with DDT in many parts of the world where this disease is most prevalent and malaria rates have dropped significantly. Penicillin is the weapon used against yaws, a particularly horrible and disfiguring disease which is common in Indonesia, Thailand and the Philippines, and UNICEF has supplied the materials to rescue thousands of children from being crippled and disfigured. Two doses of penicillin cure even the worst cases and as a result of the treatment many children will now be able to develop normally and not be a burden on the community.

Food programmes are now used mostly for demonstration purposes or to meet sudden disaster, such as the recent Italian floods, or to help with refugee problems. Countries are helped to start school lunch programmes on the understanding that they will continue these themselves. They are also, in certain cases, provided with machinery for milk processing plants so that surplus stocks available during part of the year may be carried over to meet the need during the season of shortage.

A number of countries are being given help in developing their child and maternal health and welfare services, usually through rural centres where simple clinics are set up with equipment and supplies provided by UNICEF. All medical activities are approved by the World Health Organization and there is close cooperation between these two UN organs.

UNICEF has established an enviable reputation for efficiency of operation. Independent investigators have been unanimous in praising its administrative officers for the effective use of the funds at their disposal. Their purchasing and distributing channels are well established and all the evidence indicates that an unusually small proportion of the budget is devoted to the cost of administration.

A particular feature of UNICEF operation has been the "matching clause" whereby the governments of the recipient countries must undertake to provide in goods and services an amount at least equal to the value of the contribution received from UNICEF. This requirement ensures that at least two dollars worth of assistance reaches the children for every dollar contributed by UNICEF, also that the local governments set up machinery for child welfare services that can continue after the need for assistance from UNICEF no longer exists.

The question is sometimes asked, "Why have a special agency for children? Why are the other UN agencies, such as WHO and FAO, not sufficient?"

One answer to this question is found in the fact that UNICEF is a supply organization and it can give the wherewithal to do the job. Technical knowledge is necessary to solve health and nutrition problems but it is not enough. UNICEF can supply the food and the medical supplies that can put the technical knowledge to work. As one Asian delegate said, "We are well aware that we can deal with malaria by means of DDT. We do not need an expert to come and tell us that; what we do need is the DDT and the equipment for spraying which we do not produce ourselves in sufficient quantities and which we do not have the foreign currency to buy". Because of this supply feature, the Children's Fund can assist governments to undertake programmes which would be impossible without supplies.

Another answer is found in the natural reaction of people the world over to the particular needs of children. It is easier to interest the authorities in the recipient countries in undertaking programmes for the welfare of their children than for the people in general. There is also a special interest in the contributing countries in helping to improve the lot of children. Millions of dollars have been raised for UNICEF through voluntary contributions from individuals, a measure of this concern.

Also, an agency for children arouses less political controversy than any other UN organ. An indication of the effectiveness with which it has met the need is the fact that it has functioned on both sides of the Iron Curtain with the complete cooperation of the governments concerned. All UNICEF programmes are supervised and the degree of cooperation is, therefore, known with certainty.

The Children's Fund has, of course, been able to meet only a small fraction of the need that is evident. But it has operated on the basis of the old Chinese proverb, "Better to light a candle than to curse the darkness".

And whenever the UN has had to produce a list of concrete accomplishments, UNICEF has always been pointed out with satisfaction and pride.

Since its establishment, UNICEF has received almost \$165,000,000 (U. S. equivalent). Of this amount Canada has contributed \$8,779,000 (U. S. equivalent), the third largest amount. The United States has been the largest contributor and Australia comes second with \$13,173,000, more than half as much again as Canada. On a per capita basis, Canada is fourth among UNICEF contributors, coming after Iceland, New Zealand and Australia.

We believe that the Canadian people wish to support the work of UNICEF and we would urge that the Canadian government make a grant of not less than \$500,000 this year. We are convinced that the growing realization of responsibility of the "have" countries in connection with the needs of the "have nots" is one of the strongest factors making for the future peace of the world and that this small contribution to UNICEF would be an investment offering the promise of valuable returns. We Canadians can well afford all the assistance we are giving to the less favoured countries. Indeed, if we want to work toward a peaceful world, we cannot afford to ignore the needs that confront us. UNICEF has already built strong bonds of friendship. We trust that Canada will continue to play her part in the entirely commendable endeavour.

Submitted on behalf of the
National Executive Committee by

Kathleen E. Bowlby,
National Secretary.

*Canada External Affairs Standing
Committee, 1952*

HOUSE OF COMMONS

Sixth Session—Twenty-first Parliament, 1952

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: J. A. BRADETTE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

TUESDAY, JUNE 3, 1952
THURSDAY, JUNE 5, 1952
TUESDAY, JUNE 10, 1952
TUESDAY, JUNE 24, 1952

Bill No. 210—An Act for carrying into effect the Treaty of Peace
between Canada and Japan.

FIFTH AND SIXTH REPORTS TO THE HOUSE

WITNESSES:

- Hon. L. B. Pearson, Secretary of State for External Affairs;
Mr. E. H. Norman, Head of American and Far Eastern Division, Mr. Price
Erichsen-Brown, Legal Division and Mr. W. K. Wardroper, Consular
Division, Department of External Affairs;
Mr. C. M. Isbister, Director of International Trade Relations, Department
of Trade and Commerce;
Mr. A. Napier, Director, War Claims Branch, Office of the Custodian of
Enemy Property, Department of the Secretary of State.

ORDERS OF REFERENCE

WEDNESDAY, May 21, 1952.

Ordered,—That the following Bill be referred to said Committee:—

Bill No. 210, An Act to provide for carrying into effect the Treaty of Peace between Canada and Japan.

MONDAY, June 2, 1952.

Ordered,—That the name of Mr. Stewart (*Winnipeg North*) be substituted for that of Mr. Coldwell on the said Committee.

THURSDAY, June 12, 1952.

Ordered,—That the name of Mr. Coldwell be substituted for that of Mr. Stewart (*Winnipeg North*) on the said Committee.

Attest.

LEON J. RAYMOND

Clerk of the House.

REPORTS TO THE HOUSE

WEDNESDAY, June 11, 1952.

The Standing Committee on External Affairs begs leave to present the following as a

FIFTH REPORT

Your Committee has considered Bill No. 210, An Act to provide for carrying into effect the Treaty of Peace between Canada and Japan, and has agreed to report it without amendment.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

WEDNESDAY, June 25, 1952.

The Standing Committee on External Affairs begs leave to present the following as a

SIXTH REPORT

Pursuant to Orders of the House dated April 2, May 7 and May 21, your Committee has given consideration to the following matters:

- 1.—Votes No. 85 to 115, inclusive, of the Main Estimates, 1952-53;
- 2.—Resolution to approve the ratification by Canada of the Convention on the Prevention and Punishment of the Crime of Genocide as signed by Canada on November 28, 1949;
- 3.—Resolution to approve the Supplementary Extradition Convention between the United States of America and Canada signed at Ottawa on October 26, 1951, amending the Supplementary Extradition Convention between the United States of America and Her Britannic Majesty, signed at Washington on December 13, 1900; and
- 4.—Bill No. 210, An Act to provide for the carrying into effect the Treaty of Peace between Canada and Japan.

Your Committee held 17 meetings and in the course of its deliberations heard the Secretary of State for External Affairs, his Parliamentary Assistant, and the Under-Secretary of State for External Affairs. The Minister and the Deputy Minister of Justice, the Parliamentary Assistant to the Minister of Trade and Commerce, and several senior government officials also supplied information and assistance.

The Estimates of the Department of External Affairs were reported to the House on May 8.

The Resolution approving the Convention on the Prevention and Punishment of the Crime of Genocide was reported to the House on May 9, and the Resolution relating to the Supplementary Extradition Convention was reported on May 14.

Bill No. 210, An Act to provide for carrying into effect the Treaty of Peace between Canada and Japan, was adopted without amendment and reported to the House on June 11.

Your Committee recommends:

1. That Canadian Delegations to the United Nations General Assembly continue to urge that the budgetary contributions of the Soviet Union and satellite countries be increased so that they will contribute in proportion to their ability to pay.

2. That the Government continue to give active support to the Colombo Plan; that every effort be made to increase Canada's participation, with other nations of the Commonwealth, in this worthwhile program; and that the Government give immediate consideration to strengthening Canada's official and technical representation in South and South-East Asia and to the provision of adequate housing for representatives already stationed in that area.

3. That ways and means for dealing more effectively with Canadians whose sympathies appear to lie with countries behind the Iron Curtain and who travel freely between Canada and those countries should be kept continually in review.

A copy of the Minutes of Proceedings and Evidence of the Committee is appended.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, June 3, 1952.

The Standing Committee on External Affairs met at 4.00 o'clock p.m. this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Bennett, Bradette, Croll, Decore, Fleming, Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Jutras, Lesage, MacDougall, MacKenzie, Macnaughton, Murray (*Cariboo*), Stick, Stewart (*Winnipeg North*).

In attendance: Hon. L. B. Pearson, Secretary of State for External Affairs; Mr. H. O. Moran, Assistant Under-Secretary of State for External Affairs; Mr. E. H. Norman, Head of American and Far Eastern Division and Mr. W. K. Wardroper, Consular Division, Department of External Affairs; Mr. C. M. Isbister, Director of International Trade Relations, Department of Trade and Commerce; Mr. A. Napier, Director, War Claims Branch, Office of the Custodian of Enemy Property, Department of Secretary of State; Mr. Price Erichsen-Brown, Legal Division, Department of External Affairs.

The Committee considered Bill No. 210—An Act to provide for carrying into effect the Treaty of Peace between Canada and Japan.

Clause 1 was called.

Messrs. Pearson, Norman, Isbister and Wardroper were questioned concerning the Treaty of Peace between Canada and Japan.

At 5.30 o'clock p.m. the Committee adjourned until 4.00 o'clock p.m., Thursday, June 5.

THURSDAY, June 5, 1952.

The Standing Committee on External Affairs met at 4.00 o'clock p.m. this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Bradette, Croll, Decore, Fleming, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Kirk (*Digby-Yarmouth*), MacDougall, MacKenzie, Murray (*Cariboo*), Riley, Stick.

In attendance: Mr. E. H. Norman, Head of American and Far Eastern Division, Mr. W. K. Wardroper, Consular Division, Mr. Price Erichsen-Brown, Legal Division, Department of External Affairs; Mr. A. Napier, Director, War Claims Branch, Office of the Custodian of Enemy Property, Department of the Secretary of State; Mr. C. M. Isbister, Director of International Trade Relations, Department of Trade and Commerce.

Bill 210, an Act to provide for carrying into effect the Treaty of Peace between Canada and Japan, was further considered, Messrs. Wardroper, Erichsen-Brown and Napier answering questions thereon.

The Chairman thanked the witnesses for assisting the Committee.

TUESDAY, June 10, 1952.

The Standing Committee on External Affairs met at 4.00 o'clock p.m. this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Benidickson, Bradette, Fleming, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Kirk (*Digby-Yarmouth*), MacKenzie, Macnaughton, Murray (*Cariboo*), Riley, Stick, Stewart (*Winnipeg North*).

In attendance: Mr. Price Erichsen-Brown, Legal Division, Department of External Affairs.

The Committee further considered Bill No. 210, an Act to provide for carrying into effect the Treaty of Peace between Canada and Japan.

On Clause 4: Mr. Erichsen-Brown presented a legal opinion concerning the drafting of this clause.

Mr. Fleming moved,—That all the words in Clause 4 to be struck out and the following substituted therefor:

Any Order in Council made under this Act may provide that persons contravening or failing to comply with the provisions of the Order shall be guilty of offences against this section, and (except insofar as any such Order may provide for less penalties) any person guilty of an offence against this section shall be liable on summary conviction to a fine not exceeding one hundred dollars or a term of imprisonment not exceeding two months or both, and on conviction under indictment to a fine not exceeding one thousand dollars or a term of imprisonment not exceeding two years or both.

The question having been put the motion was negatived.

Clauses 1 to 5 inclusive, the preamble, the title, and the bill were adopted and the Chairman ordered to report the bill without amendment.

A vote of thanks was extended to those who had appeared before the Committee.

The Committee congratulated Mr. Bradette on his performance of the Chairman's duties and extended good wishes for his impending trip to Europe and the Middle East.

At 5.10 o'clock p.m. the Committee adjourned to the call of the Chair.

TUESDAY, June 24, 1952.

The Standing Committee on External Affairs met (*in camera*) at 4.00 o'clock p.m. this day. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Bater, Bradette, Croll, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Kirk (*Digby-Yarmouth*), Low, MacKenzie, Macnaughton, Murray (*Cariboo*), Richard (*Ottawa East*).

The Chairman presented the draft of the "Sixth Report to the House".

The Committee considered and amended the said report.

On motion of Mr. Low,

Resolved,—That the "Sixth Report to the House", as amended, be adopted and the Chairman report the same to the House.

At 4.30 o'clock p.m. the Committee adjourned.

E. W. INNES,

Clerk of the Committee.

EVIDENCE

JUNE 3, 1952

3:45 p.m.

The CHAIRMAN: Gentlemen, we now have a quorum. The official opposition is not represented, but I suppose there will be no objection if we proceed at this time. They will likely be coming in. Bill No. 210 will now be distributed to the members of the committee. It is "An Act to provide for carrying into effect the treaty of peace between Canada and Japan".

The members will have noticed that in the letter which was attached to the notice of this meeting it stated that the minister cannot remain with us all the afternoon. Therefore I shall ask the minister to proceed now with this bill. Is that agreeable to the committee?

Agreed.

Hon. Mr. PEARSON: Mr. Chairman, the committee will recall that it was decided to take advantage of the reference of this bill to the committee not merely to discuss the details contained in the bill but to deal with any points arising out of the Japanese Peace Treaty which might occur to the members. For that purpose I said there would be representatives present from the departments concerned with the various aspects of the question, who could deal with matters of detail as they might arise. Those representatives are here today.

The CHAIRMAN: Would it not be in order, Mr. Pearson, for you to present those officials to the committee at this time?

Hon. Mr. PEARSON: I think that would be a very good idea, Mr. Chairman. We have with us today Mr. E. H. Norman, Head of American and Far Eastern Division, Department of External Affairs; Mr. A. Napier, Director of War Claims Office of the Custodian, Department of the Secretary of State; and Mr. C. Isbister, Department of Trade and Commerce. These gentlemen will answer any questions as they arise.

I was wondering whether it would be satisfactory to the committee if we attempted to divide the subject into political questions which arise out of the bill and the treaty, economic questions such as commercial relations between Japan and Canada, questions of principle and details of implementation with respect to the Japanese obligations under the treaty to compensate the Allied Powers for property seized or damaged, and, finally, legal questions.

Mr. GRAYDON: Mr. Chairman, I think the question of immigration might come in there too.

Hon. Mr. PEARSON: Yes indeed, and on the legal questions we have with us Mr. Erichsen-Brown from our legal division. Would that not be a sensible way of proceeding? I mention it merely as a suggestion. I would be more particularly concerned with the political questions arising out of the bill and treaty while possibly the officials concerned would know more about these other matters than I do and they could deal with the details of economic and other questions.

The CHAIRMAN: Would that be satisfactory to the committee?

Agreed.

Hon. Mr. PEARSON: I do not think there is very much I need to say by way of introduction. The treaty, as you know, has now been ratified and is in effect. The purposes of the treaty are well known. The procedure by which it was negotiated is well known and I think it would probably be better if

I merely tried to deal with questions as they arose rather than try to make any lengthy statement on political matters arising out of the treaty itself. Therefore, if you agree, I would prefer to answer questions than to make a general statement.

Mr. GRAYDON: Mr. Chairman, may I ask the minister a question with respect to page 14 of the treaty with Japan, where there is given under the heading "Declaration" in clause 2 a list of nine protocols, conventions, and agreements.

Hon. Mr. PEARSON: Might I ask what article of the treaty it is, because my page reference is different.

Mr. GRAYDON: It is right after article 27, it is after the signatures of the various powers. It is headed "Declaration". Now, I do not think we have these protocols, conventions, and agreements, and I think they are probably germane to the discussion we were going to have on this. I was wondering if they were available?

Hon. Mr. PEARSON: Yes, they are available. I thought they were circulated at the time the treaty was tabled.

Mr. GRAYDON: The minister may recall that I spoke to him privately about it at the time, and I am not certain that the detailed conventions and so on are perhaps essential; but I think we ought to know what they are and what their purport is because they would appear to have some bearing on the treaty itself.

Hon. Mr. PEARSON: I think I understand what you have in mind. Are not the declarations and the protocols attached to the treaty, with the bilateral and multilateral instruments which are referred to in those protocols?

Mr. GRAYDON: That is right.

Hon. Mr. PEARSON: I should think it would be possible to secure them. The first declaration deals with the multilateral treaties and Article VII of the treaty itself deals with bilateral treaties. There is, of course, a difference between the two and the effect of the treaty of peace on them. Bilateral treaties between Japan and Canada terminated, I understand—though I am subject to correction on legal grounds—with the state of war, and Article VII of the treaty provides for a method of restoring some of them. But the multilateral treaties are not affected by the state of war between Japan and ourselves, and these multilateral treaties remain in effect during a period of war. The first declaration attached to the treaty provides for their restoration to full force as a result of the treaty of peace in so far as the obligations of Japan incurred under those treaties are concerned. We will try to get you a list of them. I think it is pretty long. Some of them are already attached to the declaration itself. For instance, in the second paragraph of that first declaration it is said:

It is the intention of the Japanese government formally to accede to the following international instruments within the shortest practicable time . . . ,

and it lists the international instruments.

Mr. GRAYDON: I suppose we would be a party to these instruments because they are multilateral.

Hon. Mr. PEARSON: Yes, unless we are a party to them the restoration of Japanese obligations arising out of them would not concern us.

Mr. GRAYDON: May I ask another question, Mr. Chairman? What is the position now of the Soviet diplomatic and trade missions in Tokyo?

Hon. Mr. PEARSON: That is not an easy question for me to answer. The state of war between the U.S.S.R. and Japan has not been terminated because the Russians have not signed or ratified this treaty, and there are exchanges

going on now, I believe, between the U.S.S.R. and the Japanese government in an effort to clarify the position of the U.S.S.R. in Japan. I am not in a position to say what the result of these exchanges is as yet, but certainly the U.S.S.R. have no rights under this treaty. The question is whether they retain the rights they had as an occupying power before the treaty came into effect, and that is a matter under discussion right now. Meanwhile, it is my impression that no effort has yet been made by the Japanese government to interfere with Soviet representation in Japan.

Mr. GRAYDON: I was just thinking if we were in the position of being one of the occupying powers in Japan and a peace contract had been signed, for instance, with the Mao government in China and the Soviet government in Russia, of the position we would be in with respect to occupation. I believe it would not affect us?

Hon. Mr. PEARSON: It would not affect us, but I doubt very much in that situation if we would be allowed to retain any rights which we had prior to the treaty. That is a question which is now being settled by the Japanese and the Russians. It is not a matter in which we are directly concerned. We have our rights under the treaty. The Japanese and the Russians would have to work out some arrangement for the termination of existing Russian rights in Japan under occupation, or for their replacement by some other arrangement, and that has not been done.

Mr. STICK: Does that apply to China as well?

Hon. Mr. PEARSON: The Chinese problem is more complicated because the Japanese government have recognized the Nationalist government in Formosa and they have worked out and signed with that government a separate arrangement by which direct relations between the Chiang Kai-shek government and the Japanese government have been established. They have no such arrangement with the Chinese government at Peking.

Mr. GRAYDON: Are there negotiations in progress between the Mao government and the Japanese government in respect to peace or trade?

Hon. Mr. PEARSON: So far as I know there have been no negotiations so far between the government at Peking and the Japanese government at Tokyo. The agreement signed between the Japanese government and the Chinese government of Chiang Kai-shek extends only to that territory which is administered by and under the jurisdiction of the Chinese government in Formosa, and it does not purport to cover continental China. That is a very interesting point.

Mr. STICK: So the door is really left open for Japan to negotiate with Peking, if necessary?

Hon. Mr. PEARSON: It might be that the Japanese government would not consider their arrangement with Chiang Kai-shek one which would prevent them discussing some arrangement with the government at Peking. They have however given no indication they will do that. Indeed, the Prime Minister of Japan, Mr. Yoshida, has already expressed himself in strong terms about the difficulty of negotiating with the Chinese Communist government, but what will happen in the future I cannot say.

Mr. GRAYDON: Did not Prime Minister Yoshida at one time, about a year ago, make a rather significant statement in connection with the possibilities of the restoration of trade and diplomatic relations with Red China? I have a note here, but I am not satisfied that this is exactly a verbatim report of what he said, but this is what he said:

Red or White China remains our next door neighbour. Economic law will, I believe, prevail in the long run over ideological differences.

Now, that was made, I think, in the Japanese Diet about a year ago, and I am wondering whether that still has any longer a significance even in spite of the events that have occurred previously.

Hon. Mr. PEARSON: Mr. Yoshida, the present Prime Minister of Japan, did, of course, make that statement and he has indicated, as other Japanese leaders have indicated, the importance to Japan—which has lived in the past on its exports—of trade with continental Asia. He has also said since that time that one should not exaggerate the importance to Japan of trade with continental China, and I believe he has also indicated the difficulty of negotiating with the Communist government in Peking. So Mr. Yoshida has considered all aspects of this question. The facts of the situation are well known. In the past Japan had a very extensive trade with continental China and with Southeast Asia, and I have no doubt Japan would welcome a situation which made it possible for her to resume that trade. That does not mean, however, that the Japanese have indicated any desire at the present time to make trading arrangements with the government in Peking.

The CHAIRMAN: She may have to do that with more necessity. It was only last week I read in the *Christian Science Monitor* where the government was critical of some goods being imported from Japan to the United States, and at that time there was a commercial mission from Russia trying to deal with Japan. So we will have to be very careful of what countries will have to say in the matter of trade, no doubt about that. We might be highly scandalized over some small toys or objects that may come into Canada or the States, but there might be a price to pay for that attitude.

Hon. Mr. PEARSON: There are a great many millions of Japanese people in a relatively small territory whose standard of living cannot be preserved unless they export. The Japanese know that and I am sure they can be expected to do their best to increase their exports.

Mr. STICK: I think it is recognized by almost everybody that the great source of Japanese raw material is in China, or Manchukuo as it was called then, and they may have to bring their export trade back and open negotiations to get the raw materials they need for their industry. I think that is the most important point so far as Japan is concerned, and on that basis it may be necessary to open negotiations with Peking. I think that is what is troubling the minds of a number of people.

Mr. GRAYDON: Could I refer to the political side for a moment, and that is to ask if there have been any negotiations since the signing of the peace treaty between the Japanese government and the Indian government, remembering India was not a party to the treaty, as you know.

Hon. Mr. PEARSON: There have been such negotiations and they have resulted in an exchange of diplomatic missions and a formal ending of the state of war. No formal treaty has been signed between the two governments. The Indian government has already indicated that it has generally approved of the terms of the treaty which we signed at San Francisco, with certain exceptions, the most important exception being a clause in the treaty which provided for certain security arrangements between Japan and the United States of America. I do not know what the state of negotiations between New Delhi and Tokyo is at the moment but I suspect there will ultimately be a treaty similar to the San Francisco treaty which will leave out some of the clauses causing uneasiness in India. It is interesting in this connection, Mr. Chairman, to recall that India did not sign the treaty in San Francisco because of what she thought were certain restrictions on Japanese sovereignty. In other words, so far as those restrictions were concerned she thought that the treaty was too hard, and I am thinking particularly of the United States security arrangements. Other Asiatic countries such as Burma refused to sign the treaty because they thought it was too soft a treaty.

Mr. GRAYDON: Of course Pakistan, Ceylon and Indonesia all signed.

Hon. Mr. PEARSON: Yes.

Mr. STEWART: About a year ago in the House I asked the minister if it would be possible to do anything with the treaty to protect the position of trade unionists in Japan.

Hon. Mr. PEARSON: The only part of the treaty which could be used for that specific purpose is the reference in the preamble, which reads:

Whereas Japan for its part declares its intention to apply for membership in the United Nations and in all circumstances to conform to the principles of the Charter of the United Nations; to strive to realize the objectives of the Universal Declaration of Human Rights; to seek to create within Japan conditions of stability and well-being as defined in Articles 55 and 56 of the Charter of the United Nations and already initiated by post-surrender Japanese legislation; and in public and private trade and commerce to conform to internationally accepted fair practices;

Some of this post-surrender Japanese legislation does deal with trade union rights, so at least by implication the treaty could be used as a foundation for trade union rights in Japan, but there is no clause in the treaty which goes beyond the preamble.

The CHAIRMAN: Are there any more questions on the political side of the treaty?

Mr. GRAYDON: So far as India is concerned, was her main objection the fact that coincidental with the signing of the treaty the security agreement between the United States and Japan was entered into whereby a similar state of occupation under a different name was agreed to between the powers?

Hon. Mr. PEARSON: As I understand it, Mr. Chairman, the two main Indian objections to the treaty were, first, the inclusion in the treaty of an article which provided for a security arrangement to be worked out, after the treaty had been signed, between the United States and Japan. The Indians did not object to such an arrangement if the Japanese once they were free again, wished to bring it about, but they did object to it being included in the treaty itself. Their other main objection, I think, was to the absence of a provision in the treaty which would restore Formosa to China. Article II of the treaty in this respect merely states that Japan renounces all right, title and claim to Formosa and the Pescadores. India's thought was that, not only should Japan renounce her rights to Formosa, but the rights of China should have been stated in the treaty.

Mr. STEWART: Would the minister care to comment upon the alleged demand by the Japanese government on the government of South Korea, which took place recently, asking for certain rights in South Korea. It seems to me to be a piece of incredible arrogance if it is true, but it may not be true.

Hon. Mr. PEARSON: I have some difficulty in commenting on that because I know little about it.

Mr. MACKENZIE: They wanted some reparations for damage done during the war.

Hon. Mr. PEARSON: Yes, I recall that now. The Japanese did suggest that they should be compensated for Japanese property seized in Korea which is now the property of the Korean government, and I understand that that Japanese claim has not been received very sympathetically by the South Korean government, or indeed by other governments.

Mr. MACKENZIE: It seems to me they refused to compensate the Philippines for what they did there.

Hon. Mr. PEARSON: Yes, that is right. In this treaty they did, of course, admit their obligation and their responsibility for certain damage done by

their forces in the war, but that recognition of the obligation is nullified to a great extent by a recognition in the treaty that they will not be able to do much about compensation.

Mr. GRAYDON: Well, during the time of the occupation under General MacArthur, the information that I got, and which I think is available to all, was that certain reforms were commenced in Japan during that occupation time dealing with the question of the breaking up of family cartels, the question of women suffrage, and the question also of land reform. Has the minister any idea as to how far those reforms went, and is there any indication that the present Japanese government is proceeding to carry these out?

Hon. Mr. PEARSON: That is a very important question. With respect to the actual nature of the reforms made under General MacArthur's occupation regime and afterwards, I can only say that a good deal was done to break up the estates and to give land to some of the tenant farmers. Also, a good deal was done to break up the old combines, the Mitsubishi and the Mitsui firms. I think if you are interested in this, and it is a very important subject, that I might ask Mr. Norman to say a word as to what was actually done. I do not suppose he would want to speculate on what may happen now that the Japanese are in control again.

Mr. E. H. NORMAN: (*Head of American-Far Eastern Division, Department of External Affairs*): In regard to the agrarian reform, I think that might be regarded as among the most successful reforms and it is something along the lines that all land over the amount of 3 Japanese cho, which is equivalent in our measurement to about 2½ acres—that is not a very large plot of land, it is intensive agricultural development there—but all land over that amount, and I think on the island of Hokkaido the figure was 12 cho, which is dry culture rather than paddy, was to be available for purchase by farmer tenants of that land. In other words, the maximum amount of land one family was to work would be 3 cho. The rather complicated question of what land would be available for purchase was decided by local landed committees which were chosen in panels of 10, five representing tenants, two representing owner-operators and three landlords. I think that was the division. The purchase was subsidized also by the government over and above the price that was agreed to be paid by the tenant who wished to possess the land, and the general picture was something like this, that the shift of landownership has gone from 54 per cent of owner-operator and 46 per cent tenant to something like 89 per cent owner-operator and 11 per cent tenant since the war. Those figures are rather rough, but they are fairly approximate.

Mr. GRAYDON: That is a rather sweeping reform.

Mr. NORMAN: As I say, those figures might not stand up under most intense scrutiny, but they are from documents, the best available at the time, and I think they are fairly accurate figures. On the combines there was quite a program drawn up and my understanding was that the chief purpose was not so much to break business up into small units but to divorce the control of credit which was formerly in the hands of a few families before the war in Japan. There were these so-called Zaibatsu big firms, four in number, and not only were they strongly entrenched in ordinary industry but most of the banks were in their hands, so it was very hard for small business to get credit to keep going in difficult times unless they went to these firms, and there was a tendency to snowball, under those circumstances. I think the chief purpose of the reform was to protect credit and to divorce industry control from banking control. Just how successful that is it is a little early to say, but an attempt was made. These big companies are still in business because they are,

after all, some of the most experienced and able entrepreneurs in Japan, but I think the credit situation has definitely been eased; I think it is fair to say. On the question of human rights—

Mr. GRAYDON: Before you come to that, could you give us a little more information as to just how those cartels did operate?

Mr. NORMAN: At all levels, I believe, sir; they had their own merchant marine for their marketing abroad, their own purchasing abroad, their own department stores, their own mines, and above all the banks which, as I was saying, made credit so important in keeping this structure operating.

Mr. GRAYDON: Were these people you referred to as the four families tied in closely with the military clique that had to do with the war itself?

Mr. NORMAN: That is a highly debatable and controversial issue. Some were not happy about the war trend because it was going to affect their business, and from a purely common sense business interest it could be shown they were not happy. That was true, I believe, particularly of the samitomo and perhaps with the others. I think, it was a matter of profit and loss. I think the Japanese sphere of influence in Manchuria, and so forth, helped this with special interests and special industry. It seems to me the international policies pursued by Japan would hurt their trade in some areas, so they would be more inclined to a peaceful relationship with the countries to which they exported. It is hard to give a categorical answer to that question, though.

Mr. GRAYDON: Will the divorcement of Japan from Manchuria and Korean areas now seriously affect the economy or business of Japan in the days ahead?

Mr. NORMAN: It will certainly affect the access to important raw materials they had in that set-up before and it will certainly mean that they will wish to get those things elsewhere that much more desperately. That pressure is put on them.

On the question of population pressure, I am not sure that the divorce of that empire is so significant, because a surprisingly small number of Japanese emigrated to their Asian empire. The figures are surprisingly small: only about 350,000 Japanese in Formosa; 650,000 in Korea, and perhaps in the order of 1,000,000 to 2,000,000 in Manchuria, so it was more for access to raw materials rather than for overflow of population. Though they are overcrowded at home, trade is their only hope and if they can get access to raw materials and fair markets, I think then their greatest problem really will be—

Mr. GRAYDON: There has never been any great emigration of the Japanese people to any one place, has there?

Mr. NORMAN: I would not say a very markedly significant movement considering their population. Like most people, they prefer home.

Mr. STEWART: If they can get access to the raw materials and if they can get trade particularly, things will be lovely?

Mr. NORMAN: That is a big question and they are not the only ones concerned in the answer to it.

Mr. MACKENZIE: Under the provisions of the treaty are they allowed the "favoured nation" treatment, which gives them access to trade?

Hon. Mr. PEARSON: No, they are only allowed "most favoured nation" treatment in respect of countries which extend it to them. It is limited in that way. They have not got "favoured nation" treatment yet, and they can only get it as the result of the initiative of other countries. On the other hand, they are not obliged to give "most favoured nation" treatment to those countries unless they get it in return.

Mr. STEWART: What is the net annual population increase in the Japanese islands? Is it now about a million per annum?

Hon. Mr. PEARSON: About a million per annum.

Mr. GRAYDON: Mr. Chairman, would Mr. Norman make some comment on the female suffrage reform which has taken place in Japan?

Mr. NORMAN: Formerly women did not have a vote and they were in certain legal respects perhaps not fully equal to men. They did not have full equality in property relationships. In divorce matters it was much harder, for instance, and sometimes impossible, for a woman to divorce her husband, and extremely easy the other way around. These matters have been made somewhat more equal since the war, and the most important point from the political point of view is that they all have the ballot over the age of 21.

Hon. Mr. PEARSON: I think one of the most important questions facing us, now that Japan is in control of her own affairs, is whether these reforms have gone deep into the Japanese character and nature, and whether, now that Japan is on her own again, she will retain them of her own free will. We are inclined to assume that our form of parliamentary democracy and social and economic organization will appeal to all other peoples because it has been relatively successful with us. Within the next five or ten years we will discover if certain reforms made in Japan under the impetus of Occupation will be retained by the Japanese of their own free will.

Mr. MURRAY: Mr. Chairman, may I ask Mr. Norman if the women of Japan are still bought and sold?

Mr. NORMAN: Not to my knowledge, sir, and I can not recall that they ever were. There were cases of children being sold, when there were conditions of a very abnormal sort sometime before the war, which were caused by extreme poverty in the most difficult parts of the country, particularly in the area of the Tohoku. There were reports of the sale of children of both sexes, who were sold by starving peasants. But that is an exceptional situation and it should not be regarded as anything typical of the country, either before or after the war.

Mr. MURRAY: Do you mean to say it was not exceptional before the war? I mean bartering, buying and selling women as one would buy and sell cattle in Canada?

Mr. NORMAN: They had, of course, before the war a system known as licensed prostitution where women's rights were certainly trampled upon.

Mr. MURRAY: They were sold in that case?

Mr. NORMAN: Apparently they were contracted out.

Mr. MURRAY: A ticket value was placed on young women who were physically fit?

Mr. MacKENZIE: I think they bought them as children and kept them till they grew up.

Mr. MURRAY: I am speaking of mature, adolescent females.

Mr. NORMAN: The usual practice, I think, was that the parents made a contract with the middleman. The terms of the contract being met, a certain amount of money was turned over to the parents by the middleman, and the middleman took the girl or woman away.

Mr. MURRAY: And if the girl then earned enough money, she could buy her freedom?

Mr. NORMAN: That was done in some cases.

Mr. MURRAY: In how many cases?

Mr. NORMAN: I do not know how many. They lived a pretty deplorable life and the mortality rate would be very high.

Mr. MURRAY: There were thousands of cases?

Mr. NORMAN: There may have been many cases.

Mr. MURRAY: Regarding the employment of young women in the industries, as I recall they placed them in dormitories and they were sold into the industrial market on the same basis as into the prostitution market.

Mr. NORMAN: Before the war there were reports of very strict control in the textile industries, where girls were kept in dormitories, living very strictly, but I think that has been pretty well broken up by the labour control laws since the war. There was a heavy drive made against that kind of activity.

Mr. MURRAY: We should not make any treaty with people who are prepared to continue with that treatment of labour in industries which are in competition with industries in our own country.

Mr. NORMAN: There is legislation which has been enacted regarding that kind of labour, and if there are any breaches of it, it is a breach of the law which the trade union, for instance, concerned would have an interest to prosecute.

Mr. MURRAY: Don't you think it would be well for us to have a proper survey made of industrial conditions over there?

Hon. Mr. PEARSON: It might be possible to do that. Japan is open now to that kind of investigation, and there is a good deal of information on labour conditions in Japan now, as well as on labour legislation.

Mr. MURRAY: It is time that a new record be made available to the Canadian public.

Hon. Mr. PEARSON: I think it is pretty well admitted now that the worst phases of the labour system in Japan were cured during the occupation and that the Japanese labour legislation under the occupation approaches, at least, the enlightened labour legislation of other countries. Whether it will continue, I cannot say.

Mr. MURRAY: We should know whether this conversion is actual or whether it will be necessary to have another evangelical period.

Hon. Mr. PEARSON: We have a great deal of information on it from the reports of SCAP, and how it was put into effect.

Mr. MURRAY: May I ask if the Americans have very many heavy industrial plants in Japan at the present time?

Mr. NORMAN: I do not know how to answer that question precisely. There are undoubtedly some affiliates of American business there, but as to the number I would have to look that one up.

Mr. MURRAY: For instance, the Ford Motor Company at one time had a factory there.

Mr. NORMAN: They do not have a factory there, because there is no internal market for cars outside of the occupation forces. They do sell cars to Americans and Europeans there, but the factory has not re-started yet, but I am sure they will as the market develops.

Mr. MURRAY: What about the General Electric Company?

Mr. NORMAN: I am sure some of those big concerns will have branches there. At the same time the Japanese produce an automobile called the Datsun which is much cheaper than any American car for the Japanese market, and I would say those cars of American manufacture would be more for the western population in Japan, I might add there are Ford factories in Canada.

The CHAIRMAN: Do members want to ask any more questions of the minister?

Hon. Mr. PEARSON: If there is anything more I can deal with, I will be glad to do so; otherwise I would like to leave.

Mr. MURRAY: It is just on that point that I would like to ask the minister would he not consider getting a survey made of the factory industries of Japan, and possibly of China.

Hon. Mr. PEARSON: We could certainly do it in respect of Japan, and I am sure that information is available now. We will be glad to select some of it and show it to you.

Mr. MURRAY: We had the question of broadcasting here some time ago and they are progressing in that field.

Hon. Mr. PEARSON: Yes; in so far as China is concerned it would be a little more difficult.

Mr. MacKENZIE: I am inclined to be pessimistic on the whole picture, because you know what Syngman Rhee said when he felt he was going to have control over all of Korea; he said he would abolish all land reform and restore it to its former status.

The CHAIRMAN: Shall the minister have the right to go now?

Agreed.

Mr. STEWART: Mr. Norman, the question I was going to ask you was, could you give me an idea of the percentage of Japanese pre-war trade with China and with the parts of Asia contiguous to Japan?

Mr. NORMAN: I would say roughly, sir, before the war about the proportion of between one-third and one-quarter with China. The trouble with statistics there are that some statistics include Manchuria in that figure, so that the larger percentage like the one-third would likely include that, but taking the minimum side it would be at least about one-quarter of the trade going there.

I have here a chart showing that. After the war for China and Korea imports were \$237 million and exports \$435 million.

Mr. STEWART: Could you translate those into percentages? I do not know what the total was.

Mr. NORMAN: The total imports were \$1,360 million and the imports from China are \$287 million, so that of the total the imports would be about one-sixth and the exports to China would be about one-third. That is about the figure.

Mr. STEWART: Well, this Japanese market has been lost so Japan has now got to compete with that one-third in the other countries of the world and if she cannot get it, do you think there is a chance whatsoever of these reforms remaining in Japan?

Mr. NORMAN: Well, it is certainly true that without economic stability there can be no political stability. Just how the pattern will be fixed is very hard for me to estimate at present. There is a great increase in Japanese trade into the southeastern Asiatic area, partly, I suppose, as the normal compensation for the loss of the China market. That again raises problems because that would sharpen the competition down there.

I would certainly agree with the sentiment that without economic stability you will have great difficulty on the political side, but it is hard to estimate the trade pattern in Japan because the unrest in Asia, the conditions in China and the warfare still going on makes it an abnormal situation. If it returned to something like normal, some sort of peace and stability in that area, then of course the pattern might change.

Mr. STEWART: But if Japan cannot get markets in other parts of the world, there is a strong presumption that she will do her best to get back into China to trade there on the basis that she has got to export or die?

Mr. NORMAN: That is a very natural assumption.

Mr. MACKENZIE: I was under the impression—and evidently I was wrong—that this treaty gives Japan the favoured-nation status with Canada.

Mr. NORMAN: I think it is on a reciprocal basis. We have Mr. Isbister here from the Department of Trade and Commerce who is in a position to make a few remarks on trade.

Mr. GRAYDON: Article 12, I think, explains that.

Mr. ISBISTER: I might say something about article 12, Mr. Chairman.

With your permission, Mr. Chairman, I wish to begin by stating that the government has not as yet announced its policy with respect to trade relations with Japan. As an official, I have no idea what decisions will be reached on this subject. I must necessarily restrict myself, therefore, to what is set forth in the Treaty of Peace and to the issues which emerge from that treaty.

In the Treaty of Peace with Japan, questions of trade and commercial relations are dealt with mainly in Article 12. The text of this Article is clear. With respect to the treatment of nationals, products and vessels, the arrangements envisaged are ones of complete reciprocity. In other words, Japan is obliged, in matters of trade, to treat Canada as favourably as Canada treats Japan. During a period of four years, from April 28, 1952; Japan undertakes to grant most-favoured-nation treatment to Canada, but only to the extent that she receives most-favoured-nation treatment from Canada.

These obligations upon Japan may be superseded within the period of four years by a trade agreement between the two countries, and Japan declares herself ready to undertake the negotiations of a trade agreement. The treaty itself is not a trade agreement.

The treaty places no obligations whatsoever upon Canada to extend most-favoured-nation treatment to Japan. If Canadian exporters wish to enjoy continued access to Japanese markets, however, on terms equal with other countries, the question is raised by Article 12 as to what action is in Canada's best interests.

If we do not accord most-favoured-nation treatment to Japan, the latter is then free to discriminate against Canadian goods. While we cannot predict to what extent Japan might in fact resort to discriminatory measures against our goods, it is clear that she would have the right to do so. It is possible that Japan might allocate foreign exchange in such a way as to direct purchases of certain requirements away from Canada, especially in cases where there might be some choice as to source of supply. In addition, article IV of the Japanese customs tariff law permits the Japanese government to impose special duties on the products of countries which do not grant most-favoured-nation treatment to Japanese goods.

On the other hand, to grant most-favoured-nation treatment to Japan would involve reductions in Canadian customs duties in respect of Japanese goods. In some cases, these reductions would be quite substantial. Japanese goods are at present subject to our general tariff, which contains the highest rates in our tariff structure. As long as Japan is subject to the general tariff, furthermore, our manufacturers have the additional protection, which is afforded by section 43 of the Customs Act, against cheap Japanese imports.

Mr. MACKENZIE: That is dumping?

Mr. ISBISTER: No, sir, that is different from the dumping duty. Countries subject to the most-favoured-nation tariff are also subject to the dumping duty, but the arbitrary values of section 43 are more severe and are applied to countries in the general tariff.

Mr. FLEMING: The dumping provisions apply to all countries, there is no selection of countries for that purpose at all and no discrimination among them.

Mr. ISBISTER: That is right, sir. Section 43 is the section which makes provision for fixing arbitrary values upon imports from countries subject to the General Tariff, which injuriously affect Canadian producers or manufacturers.

This, in brief, Mr. Chairman, is the issue which is faced. What remains to be decided is the basis upon which trade is to be carried on, but the treaty itself does not make this decision; it leaves the initiative with Canada either to extend most-favoured-nation treatment or not.

Mr. GRAYDON: May I ask the witness one question? I was checking up not so long ago through the Dominion Bureau of Statistics the question of the imports and exports with respect to Canada and Japan, and I was very interested in the figures that were given there and they were a little bit striking to me and I have a note made of them here.

In 1938 our imports from Japan were, roughly, \$4½ million, our exports were a little over \$20 million. In 1939 nearly \$5 million imports from Japan, and exports come to about \$28 million. Then, in 1946, 1947, 1948, 1949, 1950 and 1951 both imports and exports rose very heavily. In 1950 my figures indicate that we imported about \$12 million worth of goods from Japan and we exported to them \$20½ million and then in 1951 a very heavy rise came in our exports. Our imports were pretty nearly the same as they were before, but our exports to Japan were pretty nearly \$73 million—about two and one-half times as much as we exported in 1939.

I was wondering if those figures were normal trade figures of 1950 and 1951 or whether they included anything in the way of materials of war which would not normally be put in the category of normal trade. I wonder if the witness could tell us what the reasons are for the vast increase in 1950-51 from \$20½ million to \$73 million from Canada to Japan.

Mr. ISBISTER: I would be glad to make a few remarks on that subject, sir. A number of different factors have accounted for this spectacular increase, so that the position last year was that we sold Japan \$73 million worth of goods and bought \$13 million worth of goods from Japan, as you stated.

A great deal of what we sold Japan last year represented the restoration of items of normal trade, although as one looks back it is rather difficult to know exactly what is normal in our trade with Japan. Some of the things in the immediate pre-war years we hope will never again be normal.

The largest single item in our exports to Japan last year was wheat, of which we sold \$30 million worth. Japan is an excellent market for wheat. Currently she ranks fourth amongst our customers and she takes 12½ per cent of our exports of wheat. I believe that changes are occurring in the dietary habits of Japan which lead our wheat experts to hope that Japan in the future will be a better customer for wheat and a more stable customer for wheat than she has been in the past.

You asked, sir, to what extent last year's spectacular increase represented the return to traditional items. Some things we did not have to sell to Japan in 1951 which Japan would have been pleased to obtain could she have done so. In pre-war years Japan came to the Canadian market for base metals—aluminum, copper, lead, nickel and zinc. These were all in scarce supply in Canada and were allocated under the Controlled Materials Plan last year, very largely to countries such as the United States, and the United Kingdom.

Japan would have taken more base metals if we had had them to send to her. Presumably in the future when supplies of these things become easier, Japan may take larger quantities.

Mr. GRAYDON: That would depend of course, I suppose, on whether or not the United States would continue to support financially the Japanese government and the Japanese economic system. As I understand, during the occupation something in the nature of \$2 billion, if my memory serves me

correctly, was thrown into the Japanese economy and if that is the case is there any normal expectation that it will be continued? If it is not then, of course, they will only buy what they can afford to buy and they may not be in as good a position in the days ahead as they were in 1951.

Mr. MURRAY: Mr. Chairman, they buy only raw materials, of course.

Mr. ISBISTER: Very largely, sir. Of course, I am not able to look into the future to predict what Japan will buy from us, but a great deal of what Japan buys from us are the basic foodstuffs and raw materials which are the raw materials of her own manufacturing industry. Whatever Japan's dollar position in future years may be, it would seem safe to predict that these things will be regarded as essential in Japan. To the extent that she has money to spend it will be spent on this kind of thing. At what level trade will stabilize I, of course, cannot predict.

Mr. MURRAY: Well, the scale of labour and so on over there, aren't they going to have a wage scale, eight-hour days and working conditions, workmen's compensation, mothers' allowances, old age pensions? Should not the Japanese have all these humanities which we enjoy in Canada?

Mr. MacKENZIE: Why limit it to Japan?

Mr. MURRAY: We will start at Japan and then move into China. We are in for fifty years of trouble in that part of the world, so we might as well have all cards on the table with respect to the cost of production of these commodities in world trade.

Mr. MacKENZIE: You will be an old man when that happens.

Mr. MURRAY: I mean, there must be some way of equalizing the Japanese standard of labour on one side of the Pacific with that on the Canadian side of the Pacific.

Mr. ISBISTER: I am afraid that question is more in Mr. Norman's field than mine, sir.

Mr. MURRAY: There is a great appeal for people who think of organized labour and of the living conditions of people regardless of race or colour or creed. I understand the Japanese produce beer over there and can sell it on the coast of British Columbia at half the price of British Columbia or Washington beer.

Mr. GRAYDON: Is that an issue in the provincial elections?

Mr. MURRAY: It may be an issue in a larger election than that, but here is the information which I think provides us with one of the great problems.

The CHAIRMAN: I think it is a great question but I think it would be hard for any official to try to answer just now, I imagine.

Mr. MURRAY: Well, in former days they bought some British Columbia logs at \$9 per thousand, transported them to Japan, they manufactured them into doors and window frames and actually exported window frames back into the port of Tacoma and I understand some of them came into British Columbia as well.

Now, they are very clever artisans and very competent men in the shipping world. I am just wondering if we are not at a point where we have got to go back and fight out the whole issue that began twenty-five years ago with respect to the Japanese.

Mr. MacNAUGHTON: Your point is future competition?

Mr. MURRAY: My point, Mr. Macnaughton, is that I might go down on Sparks street today and buy a certain textile, probably not now, but I know a short time ago they were available. They were well manufactured, beautifully coloured, well designed and they sold at one-fifth the price of the Canadian textile, and the merchants were not admitting they were Japanese, but when

you asked them they said yes they were Japanese but they were not prepared to shove them—they did not want to advertise them and press them on the customers.

I could take you into a shop on Sparks street where they are selling ceramics and a dinner set can be brought for \$86, of which the duplicate made in England would be worth about \$386. One might be better than the other, but there they are, and there is a lot of that merchandise in this city today.

The CHAIRMAN: There might be a common field where the two nations could learn something one from the other when there is so much difference in price.

Mr. MACKENZIE: Didn't the United States give large quantities of raw materials to Japan in 1946 and 1947—cotton and wool and raw materials? If they did not give it to them they gave it at a very cheap rate.

Mr. ISBISTER: I understand that to be the case in the years immediately after the war.

Mr. MACKENZIE: In 1946 and 1947 I know they did in very large quantities.

Mr. ISBISTER: I have inquired into this subject to the extent that I can, and I have been informed that materials have not been provided in this way to Japan for some years.

The CHAIRMAN: Are the industries in Japan as highly industrialized as they are here with machinery and so on? Are they as up to date as we are on textiles and so on, or is it all hand operated?

Mr. NORMAN: I would say that the textile industry is among the most modern in the world in its actual equipment.

Mr. MACKENZIE: I know in Shanghai, China, there was as modern a cotton mill there as anywhere in the world.

Mr. NORMAN: I think some of their equipment, like textiles, is very up to date and others are rather primitive—

Mr. MURRAY: Well, have they not progressed during the war period and modernized the factories and brought them to a high state of efficiency?

Mr. NORMAN: Certain industries, yes.

Mr. MURRAY: You said a moment ago that they were manufacturing motor cars?

Mr. NORMAN: Yes.

Mr. MURRAY: Which apparently run very well?

Mr. NORMAN: Yes, very efficiently.

Mr. MURRAY: Like some of the ones in the lower price field here—like one of the smaller English cars such as the Prefect or in that group?

Mr. NORMAN: I would not be able to judge the quality as opposed to others. They are certainly cheaper, I know that.

Mr. MURRAY: If they can employ men in their automobile industry at \$1 or \$2 a day while we pay our men \$15 or \$20 a day, what is the answer to it?

Mr. NORMAN: That is a very hard question to answer, sir. I know there is a great discrepancy in the labour standard. The only relevant thing one might say is that quite a brave start was made by occupation-inspired legislation to get rid of some of the most unpleasant forms of long hours and cheap wages—that sort of thing—which at least set a norm or set a standard toward which they could work.

They are a long way from what we regard as a proper standard, but I think the important thing is to see whether they are going in that direction or going backward. That is something we certainly have to watch rather carefully.

Mr. GRAYDON: Well, Mr. Chairman, Canadians have to face certain facts squarely on this whole Japanese trade question as the witnesses will, of course, agree. And one of them is the problem that was raised as to how we can provide our own standard of living here and at the same time attempt to keep Japan on the side of the free world and that is just about as difficult a problem as I can conceive for Canadians to tackle.

Mr. MacKENZIE: That is the crux of the whole situation.

Mr. GRAYDON: Yes, and Canadians have achieved their standard of living by great advances and by the employment of good technical skills and organizing ability and Canadians will expect to maintain their standard of living, and I am one—and I am sure the committee is in agreement—in seeing that we should.

The problem now, having taken that as our basis from which to operate, is how can we then give this lenient treatment to Japan without affecting that basic consideration which Canadians will insist upon maintaining?

The CHAIRMAN: Of course, the Canadian people are asking questions too. Under the Canadian system they pay 500 per cent more for an article made in Canada than for the same article made in Japan. There is no doubt this is something for the people to think about, but these are incomparable goods.

Mr. GRAYDON: But by the same token, the consumers in Canada are very largely producers as well, and for that reason it seems to me if you put it on that basis then, of course, you seriously interfere with the Canadian standard of living because down goes the whole level. If there were some way of putting the Orient on something like a similar standard of living to what the Occident enjoys, then you would have competition which nobody would perhaps greatly concern themselves with because it would be on an equal footing and an equitable basis. The difficulty now is one, it seems to me from a practical point of view, to be a very, very difficult obstacle to hurdle.

Mr. MURRAY: The closeness of the two countries now has resulted from the development of air service brings us within a few hours from the west coast of Canada to Japanese cities so that the problem is more difficult than it was before the war.

The CHAIRMAN: Any more questions on the Department of Trade and Commerce?

Mr. GRAYDON: In the event of the west being unable to accept, because of the difficulties I have mentioned, a good deal of the goods that are manufactured in Japan, what then will the Japanese position be? Will they be perhaps forced then into the arms of other trading nations in the Orient whose interests ideologically are inimical to ours?

Mr. ISBISTER: Well, sir, from a trade point of view, which is my field—I understood the question was directed to me—from a trade point of view I find it very difficult to cope with the larger implications of your question. In long-run terms, if Japan attempted to find alternative sources of supply for most of the goods which we sell her, over a period of years she could do so quite easily. In the near future, she would find it very difficult to do so.

You spoke about other countries in the Orient and countries on our side of the world. I expect, over a long period of years, that some of these supplies could be drawn from various parts of the world. It would be very difficult to predict, from a trade point of view, exactly what the pattern of that would be. There is no question of Japan's very active desire to trade with North America. This has been expressed in a number of different ways. I suppose it is correct to say that, if she finds the door closed, she will turn to other places. Now, where these other places would be, I cannot say.

Mr. MURRAY: Where would she turn for softwood products and sulphite?

Mr. ISBISTER: I would expect to the Scandinavian countries and to what extent she would succeed there is a question. The wood pulp which Japan is purchasing from us at the present time is not so much the raw material for her paper industry as for her rayon industry. I expect she would attempt to obtain pulps alternatively from the Scandinavian countries if she were not getting them from Canada.

Mr. MURRAY: They are fairly limited, though, like that up there. The great supply of softwood would be in Canada, the main supply.

Mr. ISBISTER: That is right and at the present time, as I say, sir, I expect that Japan would find difficulty in adequately obtaining elsewhere the raw materials which she has been obtaining from Canada.

Mr. GRAYDON: I had some information a short time ago which would indicate that the Soviets are making a very strong bid for Japanese trade. One of the instances that was cited at the time was that she was offering coal to Japan for one-third of what Japan was presently paying to the United States.

Now, is Japan—I am not sufficiently familiar with the economy of Japan and productive capacity to know—but does Japan have to import most of her coal or has she coal there?

Mr. ISBISTER: I believe Japan is on an import basis for coal.

Mr. NORMAN: She mines some but a great part she has to import.

Mr. GRAYDON: Has she been importing coal in recent times from the United States?

Mr. ISBISTER: One small deposit in British Columbia is being worked now for Japan. Not very much, but it is an indication of the extent to which Japan has been in search of coal.

Mr. GRAYDON: Would the coal resources of adjoining territories of the Soviet Union be able to produce coal in commercial quantities sufficient to take care of the Japanese needs? Do you know anything about that?

Mr. NORMAN: I am afraid, sir, I do not know the coal reserves of that part. There is coal found reportedly in great abundance there—in Siberia, for instance.

Mr. MURRAY: Would not Manchuria be her main source?

Mr. NORMAN: She used to get a lot from the Antung mines.

Mr. MURRAY: And the coast of Asia?

Mr. NORMAN: North China and Manchuria.

Mr. GRAYDON: If this is taken as an indication of the Russian bid for trade in Japan, does that extend to other products as well? And may I ask one other question which is relevant to this? Was Japan or any of its merchants or commercial people represented at the recent Moscow trade conference?

Mr. NORMAN: On the first part of your question, sir, I think this Russian offer you are referring to included timber.

Mr. GRAYDON: At lower prices than could be obtained, I take it, from the free world?

Mr. NORMAN: I suppose that would be so. I do not remember the price quoted or if there was a price quoted, but I am sure they must have offered it that way.

On the second question, I believe a number, perhaps three or four Japanese attended this conference you spoke of, but they arrived belatedly. One was a woman and later, perhaps two or three men. They got there after the main conference was over. What they did, I do not know.

Mr. GRAYDON: Would they be there on business missions or political missions?

Mr. NORMAN: I cannot say, sir. They were invited anyway by the Russian government as part of this trade conference.

Mr. MURRAY: I was going to ask about oil. They certainly have no oil in that empire and I wondered if the Canadian oil would not be attractive to them.

Mr. ISBISTER: I do not know of any development or specific expression of interest in Canadian oil on the part of the Japanese, sir, but I would imagine it would be a possibility for the future.

Mr. MURRAY: It would be very close to them at Prince Rupert or Vancouver here, just on the new pipe line.

Mr. ISBISTER: Yes, I just do not know of any concrete development or indication, but it would sound reasonable, sir.

Mr. MURRAY: You have not any statistics as to the present source of supply?

Mr. ISBISTER: No, I am sorry, I have not, or what the alternative sources would be.

Mr. NORMAN: They produce a very small amount, almost insignificant in the northwest area, in Akita Prefecture particularly, but it does not begin to supply their needs.

Mr. MURRAY: Of course, they could manufacture it from coal if they had lots of coal and is it not a fact that they did make synthetic gasoline?

Mr. NORMAN: I believe they did, sir, yes.

The CHAIRMAN: Any further questions on Trade and Commerce? Any questions on some of the other departments?

Mr. GRAYDON: There was one question I wanted to ask Mr. Norman with respect to conditions in Japan and having relation to the so-called reforms that were instituted by the occupational forces. One was the question of the break-up of the relationship of Shintoism to the government and its policies. I would like to ask Mr. Norman, who knows the subject no doubt very thoroughly, just to what extent Shintoism actually operated in Japan and what this divorcement really means or what advantages have come by virtue of this divorcement that we hear about?

Mr. NORMAN: Well, in answer to that, sir, the pre-war situation on Shintoism was that it was a state cult and received moneys from the government for the upkeep of its shrines and establishments.

Mr. GRAYDON: How does it fit in with the Buddhist religion, for instance?

Mr. NORMAN: There does not seem to be very much of a clash between them in the sense of being competing religions, as we would understand them. Quite often a person can be married at a Shinto wedding and then his family might see fit when he dies to have a Buddhist ceremony and it would not be regarded as too much in conflict. The Buddhist religion in modern times was not established in the sense of receiving state subsidies the way Shinto did before the war. Legislation after the war broke off this state subsidization of Shinto but it naturally permitted freedom of religion for any religion whatsoever, so people were free to subscribe to the upkeep of Shinto shrines. Such subscriptions were ample, judging by the appearance of the shrines.

This move was completed by an act of the emperor who might be regarded as the chief of the Shinto religion. He made a statement, I think at New Year's of 1946, in which he said that it was not proper for his subjects to regard him as in any way divine. These two parts of the reform are what you must have had in mind.

Mr. GRAYDON: Yes, but I thought you might explain to the committee to what extent Shintoism influences the general character of the people.

Mr. NORMAN: It is the oldest religion in Japan and goes back to prehistoric times and, therefore, has a considerable sentimental hold on them. Buddhism and Confucianism and Christianity in that order came later. Shintoism does not have a theology. It is a religion without a theology. It does not provide answers to questions along the lines of salvation in the same way as Buddhism does, but it is tied up very much with patriotic sentiment. It provided the mystique of the nation; that is why the emperor was the head of it. Perhaps it is more a patriotic than, strictly speaking, a religious cult. Forces of nature were worshipped as divine or semi-divine. We find that kind of religion in the early Mediterranean world.

Buddhism came in with a much more full and higher developed theology, the questions of human sin, of evil, and of salvation—questions which Shintoism never attempted to answer. I think it is for this reason that they got along without any great conflict; they were not competing for the spiritual allegiance of the individual. Thus there was no inconsistency in a Japanese going to the Shinto shrine of some kind and paying his respects to a national hero who had been deified and going also to a Buddhist service.

Mr. MURRAY: Then going to a Methodist church in the evening.

Mr. NORMAN: There is certainly no law against it.

Mr. GRAYDON: I understood in addition to that that those who embraced the Shinto faith regarded deeds committed in war, for instance, valorous deeds in war as almost guaranteeing them a place in the "Flowery Kingdom" and in some respects the fanatical heroism of Japanese can be traced to that source and I was wondering if Mr. Norman wanted to comment on that.

Mr. NORMAN: They pay great respect to the spirit of the dead. In some fashion it is worshipped by the descendants. I do not think there is a clear concept of heaven in Shintoism such as there is in Buddhism, but the idea very strongly implanted was that if they died in the service of their country there would be a tablet put in the great Yasukuni shrine, which is dedicated to the war dead. At the anniversary of death or on other suitable occasions their family would go and pay respect to the spirit of the dead.

The CHAIRMAN: Any further questions?

Mr. MURRAY: I think that is a subject which might well be discussed at another meeting of this committee. I think it is one of far-reaching importance.

The CHAIRMAN: Which subject, Mr. Murray?

Mr. MURRAY: The general subject of the relations of this country with Japan, the development of trade.

The CHAIRMAN: Well, I think we can proceed a little further this afternoon as we would like to make a report next week, if we can.

Mr. GRAYDON: Well, is it the intention, Mr. Chairman, of the committee to call someone with respect to immigration?

The CHAIRMAN: Well, that is for the members of the committee to decide.

Mr. GRAYDON: I have no objection if the witnesses here feel they want to deal with that.

The CHAIRMAN: There is an official here who is qualified, so I believe we could proceed with that witness now. Is that agreeable to the members?

The witness is Mr. W. K. Wardroper of the Department of External Affairs. Will you proceed now, Mr. Wardroper?

Mr. WARDROPER: I did not come prepared to make a statement because I thought it might be easier if I answered questions.

Mr. GRAYDON: Well, first of all, Mr. Wardroper, in pre-war years what was the normal immigration into Japan of other peoples and, generally speaking, what numbers came from the various countries? I am only thinking of perhaps the top three or four. I do not want to go into them in great detail.

Mr. WARDROPER: From other countries to Japan?

Mr. GRAYDON: Yes.

Mr. WARDROPER: I did not come prepared on the particular question of immigration into Japan, because I did not think it related to the questions the committee might wish to ask. I do not think, however, there would be any large influx of people from other countries to Japan. With the exception of parts of Asia such as Korea, which was actually part of the Japanese Empire. About two million Koreans would be involved, and there would be some Chinese after the conquest of Manchuria or other people of that area. I do not think there would be any large numbers of other races.

Mr. GRAYDON: Which are coming in for business and commercial reasons?

Mr. WARDROPER: Yes.

Mr. GRAYDON: Now, so far as our own country here is concerned I wonder if Mr. Wardroper could trace in brief our relationships with Japan in the days before the war and since in respect of our immigration problems there which at times have become very acute, as you will agree.

Mr. WARDROPER: Well, the movement of people from Japan to Canada was originally governed by the terms of the Anglo-Japanese Treaty of Commerce and Navigation signed, in 1894, between Great Britain and the Empire of Japan. In 1907 the question of the Japanese coming to Canada was raised in British Columbia actually because this original Treaty of Commerce and Navigation allowed the people of both Empires (British and Japanese) "full liberty to enter, travel and reside in the territories of the other." That is the old traditional wording of such treaties. In that year an interchange of letters was arranged modifying the effect of this Treaty of Commerce and Navigation.

Mr. GRAYDON: At that time as many Japanese could come as wished?

Mr. WARDROPER: Up until 1907, and then there was a letter given by the Japanese Foreign Minister saying that the Japanese Government would not permit large numbers of Japanese to come to Canada. The number permitted at that time was 400. Up to that time there had been no limitation.

Mr. GRAYDON: May I ask just one question? Prior to 1907 what was the normal flow of immigration into Canada prior to the restrictive period commencing?

Mr. WARDROPER: I have some figures here. In the first ten months of 1907, 8,125 Japanese entered Canada and at the same time there were other large numbers of Asiatic people—Hindus, Chinese and others who entered Canada at the same time. In those days some people began to become a little concerned about these different races coming in who were not of the same social mores and customs, and they began to seek ways of restricting the flow of people into Canada.

Now, in 1907 there was arranged the so-called "Gentlemen's Agreement" which, I think, is quite familiar as a general reference, and that restricted the flow to 400 persons per year. That situation lasted until 1923.

Mr. GRAYDON: Was that observed by the Japanese?

Mr. WARDROPER: Oh, yes. As far as the Japanese government was concerned it was. There must have been a few odd Japanese persons who might have sneaked by in the same way a few people now coming to Canada or other countries can sometimes get in illegally without going through the regular immigration channels.

In 1923 there was a new arrangement made which I can read you if you wish—the essential part of the text.

Mr. GRAYDON: I would like to know just what it means.

Mr. WARDROPER: Well, the basis of it was that the Japanese Empire recognized the situation in Canada and agreed to restrict the outflow of Japanese to Canada. They recognized the circumstances in Canada; it was a voluntary act on the part of the Japanese Government. In a sense it saved the Japanese the embarrassment of having to submit to restrictions on our part on racial grounds against persons of Japanese race. That was the essential basis of it.

Mr. GRAYDON: Did that fix any numerical quantity?

Mr. WARDROPER: It was 400.

Mr. GRAYDON: Still remained at 400, the same as in 1907?

Mr. WARDROPER: Yes. Then in 1928, when we exchanged ministers with Japan, this understanding was re-negotiated and the number to be admitted was reduced to 150. This situation lasted until the outbreak of the War. However, this number of 150 was never reached during the "thirties". It was considerably less, actually.

These agreements related only to Japanese nationals. As a result of Japanese nationals becoming British subjects by naturalization in Canada, wives they might marry later in Japan would have become British subjects and they would not be included in the agreement. They would be able to get to Canada as British subjects provided they met the normal immigration standards of health.

Mr. GRAYDON: That would open the door very materially to some Japanese coming in if they could establish they were British subjects by marriage?

Mr. WARDROPER: Yes. From 1930, the flow of the persons of Asiatic race was covered by P.C. 2115 which stated that only the wives or unmarried children under eighteen years of age of Canadian citizens—and that was a Canadian citizen as defined in the Immigration Act at that time—would be admitted, subject to any special treaties or agreements with particular countries. The "Gentlemen's Agreement", of course, came under that provision.

Mr. GRAYDON: Now, have there been any negotiations between Canada and Japan with respect to any change in that general agreement or does it still stand despite the interim period of war?

Mr. WARDROPER: The "Agreement" is not in force at the present time.

Mr. GRAYDON: So as far as Japan and Canada are concerned, there is no agreement in respect of immigration?

Mr. WARDROPER: No agreement.

Mr. GRAYDON: Does that mean as many Japanese can come in as like? What is the result of that? Do we go back now to the period prior to 1907?

Mr. WARDROPER: No, sir; the immigration of Japanese nationals will be controlled by P.C. 2115 as amended in 1950; it controls the immigration of all persons of Asiatic race.

Mr. GRAYDON: You say "controls"; does that place an embargo on their coming?

Mr. WARDROPER: Well, it now says that the husbands, wives, or unmarried children under 21 years of age of any Canadian citizen of Asiatic race is admissible to Canada as an immigrant.

Mr. GRAYDON: Is there any distinction in that order in council between a person coming from China or Japan?

Mr. WARDROPER: No, there is no distinction in the order in council.

Mr. GRAYDON: So all Asiatics, including Japanese, are treated exactly the same in that order in council?

Mr. WARDROPER: No, sir, India, Pakistan and Ceylon are countries with which we have special agreements, which you will recall, are also provided for in the order in council.

Mr. GRAYDON: I was not referring to them. Now, since the war by years how many Japanese have come in under that order in council?

Mr. WARDROPER: As far as immigrants are concerned I do not have the figure. They have not been able to enter Canada until recently. It would be very, very few because they were still deemed to be enemy nationals until a few weeks ago.

Mr. GRAYDON: So that in the period up until the Peace Treaty was signed no Japanese citizen came into Canada?

Mr. WARDROPER: That is correct, sir.

Mr. GRAYDON: Have there been any applications since the Peace Treaty has been signed indicating the flow that might be expected?

Mr. WARDROPER: We have so far received no flood of applications or anything of that nature. I think it is perhaps so soon since the ratification of the Treaty that ordinary people have not thought they could come here.

Mr. GRAYDON: No suggestions have come from the Japanese government for any change in the order in council since the Peace Treaty was signed?

Mr. WARDROPER: No, sir.

Mr. STEWART: How would the Japanese be regarded who was domiciled in Canada and sent back to Japan prior to the signing of the Peace Treaty? Was he regarded as an enemy alien?

Mr. WARDROPER: All citizens of Japan would be enemy aliens for purposes of immigration.

Mr. STEWART: Under what category would a Canadian sent back to Japan be on re-admission?

Mr. WARDROPER: He would be regarded as a Canadian citizen.

Mr. STEWART: And what about those who were deported?

Mr. WARDROPER: During the war under P.C. 10773 those who were deported during the war would lose their British subject status automatically. And, of course, that includes the relatives who went with them. Subsequent to the war there were others who were returned to Japan. "Deported" is not the right word for this group—they were voluntarily repatriated to Japan under two other orders in council, P.C. 7355 and P.C. 7356.

Those who were naturalized Canadians by the latter order in council automatically lost their Canadian status and would for immigration purposes only be Japanese nationals at this point and would not be admitted to Canada. Those who were Canadian born did not lose their status by going back to Japan after the war and, of course, are admissible as of right as Canadian citizens.

Mr. STEWART: Do many apply from both these classes to come back here?

Mr. WARDROPER: Yes, we have had quite a few.

Mr. STEWART: Those who lose their status are not re-admissible. Those losing their status being those who willingly went back?

Mr. WARDROPER: Only the naturalized ones lose their status and they are not re-admissible. They are governed by P.C. 2115. Those who were Canadian born are re-admissible and some have returned. I have the figures here if you wish them.

Mr. STEWART: I would like to hear them if you have them.

Mr. WARDROPER: A total of 3,964 persons were repatriated to Japan under the two orders in council. That total includes those sent back during

war and after. Of this total 1,355 were Japanese citizens and hence are not re-admissible. There were 630 naturalized Canadians who lost their Canadian status and with them about 175 Canadian born children. This leaves about 1,800 who did not cease to be Canadians as a result of repatriation, and are therefore re-admissible to Canada as of right.

Until November 1949, 201 Canadian citizens of Japanese origin returned to Canada. This total includes some people who were in Japan before the war, visiting relatives, on business, and so on. Of these 165 were in Japan at the outbreak of the war; the remaining 36 were from among those who had been repatriated to Japan.

I have also some figures on those who have come back since 1949 of those who were repatriated. An additional 156 since that date have returned to Canada. Therefore, a total of 192 persons who were voluntarily repatriated to Japan have returned to Canada. I do not have available here information concerning persons who were in Japan throughout the war and have returned to Canada since 1949.

Mr. STEWART: What was your definition of those who were Canadian children who were sent back to Japan? Are they still Canadians or do they take the nationality of their parents?

Mr. WARDROPER: They lost their Canadian status at the same time as the parents. They are not now, therefore, Canadian citizens.

Now, if those children could by any chance find their way back to Canada and be re-admitted by the immigration authorities, they would be able to take advantage of a provision in the Citizenship Act for them to regain their Canadian status after meeting certain requirements. Of course, P.C. 2115 creates restrictions on their re-entering Canada and it would therefore be very difficult for them to do so.

Mr. MACKENZIE: I do not think I have it quite clear when you say those Canadian citizens that lose their citizenship. In what circumstances do they lose their citizenship?

Mr. WARDROPER: By order in council. There are two orders in council—P.C. 10773, which was a wartime order in council, and P.C. 7356. Under the first persons were repatriated to Japan or in fact deported to Japan during the war. They were people who were deported in exchange for Canadians who came back on the *Gripsholm*.

Mr. DECORE: Did they include Canadian born Japanese?

Mr. WARDROPER: Yes, and they lost their Canadian status. They ceased to be British subjects at that time—not Canadian citizens in fact, because there were no Canadian citizens at that time.

Mr. MURRAY: Are we allowing a service man in the Japanese army to return?

Mr. WARDROPER: A naturalized Canadian-Japanese who has been in the Japanese armed forces must have his case considered by a commission for inquiry under the Canadian Citizenship Act. Many of them have had their citizenship revoked: there is no way for the natural-born Canadian citizen who served in the Japanese army to have his citizenship revoked.

Mr. STEWART: Doesn't he have his citizenship automatically revoked when he fights with another army?

Mr. WARDROPER: He would now if he served against Canada in the forces of the country of his second nationality.

Mr. MURRAY: There would be a danger of dual citizenship?

Mr. WARDROPER: Yes, sir.

Mr. MURRAY: Do we guard against the dual citizenship?

Mr. WARDROPER: Yes, but we cannot now take any action against a man who fought against us before the coming into force of the Act by punishing him by revoking his citizenship. I understand that the theory behind this type of legislation is that the man who fights against our country is subject to trial for treason while the person with dual-nationality will lose his citizenship but would not be subject to trial for treason in our country.

Mr. MURRAY: Have there been any cases yet?

Mr. WARDROPER: To my knowledge there have been no trials in Canada for treason. But we do have information regarding some Japanese who were born in Canada but who served in the Japanese army.

Mr. MURRAY: Very many of them?

Mr. WARDROPER: A fair number, because they were conscripted, of course, in Japan.

Mr. MURRAY: What number?

Mr. WARDROPER: I have not the figure here now. I do not think it was a very large percentage of the group who went back during the war. There were only about 200 adult Canadians of Japanese race in Japan when the war broke out. Some children, of course, became of age during the war and were then called up.

Mr. MURRAY: But at the time of the outbreak of the war how many Japanese left Canada to return to the armed service of Japan?

Mr. WARDROPER: Some may have been called up.

Mr. MURRAY: Particularly in the navy?

Mr. WARDROPER: That may be so.

Mr. MURRAY: You have not any such list?

Mr. WARDROPER: I have not myself. There might be such lists available. I imagine there are.

Mr. MURRAY: Mr. Chairman, I think it would be well to have these things kept in mind. It is all right to let bygones be bygones but it would be pure folly to repeat the blunders that were made a few years ago. The dual race is something that is particularly important.

The CHAIRMAN: The members of the committee will have on record what Mr. Murray wants.

Mr. MURRAY: I certainly think that list, if there is such a list, should be produced.

The CHAIRMAN: Any more questions on immigration? There is another subject that is left and that is property. I do not think we can get through this subject at this sitting. The time is going on. We have been sitting for nearly two hours and I believe we could get through it at another sitting.

Would it be all right, then, Thursday at 4 o'clock in the afternoon? In the meantime I would ask any of the members of the committee who want to bring anything for the final report of the committee to kindly do so at the next meeting.

Mr. CROLL: Do I understand, Mr. Murray, that you asked for a list?

The CHAIRMAN: The number.

Mr. CROLL: That is fine. I was under the impression that he asked for names. I remember that was given at one time.

The CHAIRMAN: Then, we will call the next meeting on Thursday at 4 p.m.

EVIDENCE

JUNE 5, 1952,
4.00 p.m.

The CHAIRMAN: I will call the meeting to order. We were dealing with Bill 210 at the last meeting. I did not call any items, but I will now call section 1. Shall it carry?

The order of our work today will be, first of all we will hear Mr. Wardroper, who will reply to a question asked on June 3 as to how many Canadians served in the Japanese armed forces. He will read a statement on that and then we will hear Mr. Erichsen-Brown and then Mr. Napier.

Mr. W. K. Wardroper, Consular Division, Department of External Affairs, called:

The WITNESS: It has not been possible to determine how many Canadians served in the Japanese armed forces during World War II. It is known that upon the outbreak of war with Japan there were 205 adult natural-born or naturalized Canadians, together with 1,483 children, residing in Japan either temporarily or permanently. Some were on business or visits, and some were there on a longer term basis.

Mr. FLEMING: Are these all persons of Japanese race?

The WITNESS: Yes, these were persons of Japanese race. Some of these children, naturally, during the course of the war reached military age and, in the same manner as their parents, were subject to the conscription laws in Japan. In Japan they were regarded as Japanese. Of this total of about 1,700 persons, approximately 350 persons have come to our attention since the end of the war. They have presented themselves to the Canadian Liaison Mission in Tokyo, in the majority of cases by making applications for certificates of proof of Canadian citizenship, and sometimes for other consular business. Of these 350 we have discovered, after making inquiries, that 30 had served in the Japanese armed forces. It will therefore be seen that according to the information available at the present time somewhat less than one person in ten of the Canadians who were in Japan during the war served in the Japanese forces. Now, using these figures as a base, it could be estimated that approximately 150 of the total of 1,700 would have served in the armed forces of Japan. The number probably is somewhat less than that, because of those who have presented themselves to the Liaison Mission a fairly large proportion have been adults; many of the children of very young years who would never have been able to serve in the Japanese army.

Mr. STICK: Do they want to come back to Canada to live?

The WITNESS: Some of them might wish to come back; when they present themselves they usually tell us they are merely applying for proof of their Canadian citizenship.

Mr. STICK: Proof of Canadian citizenship?

The WITNESS: That is correct. I think it will be appreciated that the war-time activities of a Canadian in Japan is a very difficult thing to determine unless the person actually presents himself to the Mission. There are millions of Japanese and there is no way for us to find among that large population those who are Canadians and those who served in the Japanese armed forces;

we have only been able to make inquiries about those who have presented themselves to the Mission in Tokyo. Of course we may continue to receive more applications from time to time, particularly since the Peace Treaty has come into force. There may be a new group who will present themselves, knowing they are no longer considered to be enemy nationals.

By Mr. Stick:

Q. What is our position if those 30 who served in the Japanese armed forces, if they can prove identification as Canadian citizens, want to come back to Canada. What is their position?—A. They are admissible to Canada as of right if they present themselves at a port of entry in Canada.

Q. Can we not keep them out?—A. No, sir.

Mr. FLEMING: Those born in Canada cannot be excluded if they seek to come back to Canada, I can understand that, but what about those who have been naturalized and want to come back to Canada, those who have been absent for a number of years—in some cases the period of years might extend to 10 or 15 years.

The WITNESS: A naturalized Canadian who served in the Japanese armed forces is subject to revocation of citizenship. I looked into our records of these cases and found that we have had something under a dozen cases whose citizenship has been subject to revocation; it happens that not one of these naturalized Canadians, who were subject to revocation as I said, happened to have served in the Japanese armed forces. Those whose cases have been before us have only been considered by a Commission for Inquiry for prolonged absence from Canada.

Mr. GAUTHIER (*Portneuf*): Is there not a proviso in Hon. Mr. Harris' bill on immigration—a proviso to prevent them from coming back because of the fact that they fought in the Japanese armed forces? Did you see that provision in the bill?

Mr. STICK: Does it automatically cancel their Canadian citizenship?

Mr. FLEMING: The cancellation of citizenship has to be dealt with under a different Act altogether, the Citizenship Act, not the Immigration Act.

Mr. GAUTHIER (*Portneuf*): I thought I saw that in Hon. Mr. Harris's bill.

Mr. FLEMING: That bill does not accomplish any revocation of citizenship in the case of naturalized Canadian citizens.

The CHAIRMAN: Are there any more questions on that matter?

By Mr. Fleming:

Q. I would like to clarify one thing, Mr. Chairman. In the case of those who have made application at the embassy, do I understand that all who fought in the Japanese forces were Canadian born?—A. I do not think so, sir. Those who have presented themselves, and have been found to have served in the armed forces, have been Canadian born. There will, no doubt, be some naturalized Canadians who did so serve, but none have come to our attention as yet.

Q. Have those facts been communicated to the Department of Citizenship and Immigration in those cases?—A. In the case of a naturalized Canadian, we would report it automatically to the Department of Citizenship and Immigration. There are regulations covering that.

Q. Yes, that is a criminal offence. There is treason in a case of that kind. There has been no action taken, then, to extradite any of these persons?—A. With respect to treason, there is a statute of limitation of three years, so that no trial for treason could take place any longer than three years after the act committed.

Q. And none of those have been discovered within the three-year period, say, before August 15, 1948?—A. Very few. Thinking back, I do not think that there were more than two persons who came to our notice and were definitely dealt with as cases before the end of 1948 or early 1949.

Q. From what date does the three-year period of limitation operate? From the cessation of hostilities on August 14, 1945, or from the termination of the state of war between Japan and Canada, which is 1952.—A. That is really a legal question, I think. It is not really concerned with the problem I have looked into. Perhaps Mr. Erichsen-Brown could say something on that.

Mr. ERICHSEN-BROWN: I would not like to comment.

The WITNESS: I do not think I could comment on that. It is not really connected with the question of the entry into Canada of Japanese Canadians.

By Mr. Murray:

It would not be very hard to identify the various atrocities they committed, the various murders, it would not be hard to identify the facts regarding the various camps they operated.—A. Of these particular Japanese Canadians?

Q. I mean of their nationals, the army of Japan.—A. I do not think it would be possible.

Q. You could identify the Japanese balloons that landed on the Alaska highway loaded with missiles that would set fire to forests, and so forth.—A. With regard to Canadians who served in the armed forces, I do not think we have such information.

Q. Don't you think we should not kiss and make up yet for a little while?

Mr. FLEMING: Kissing is a question of policy, is it not, Mr. Chairman?

By Mr. Fleming:

Q. May I ask the witness if any of these persons have sought entry into Canada since the war?—A. Yes, sir.

Q. Have any of them been admitted into Canada?—A. Yes. I gave those figures the other day. I can find them again, I think.

Q. I am speaking of those who served in the Japanese forces.—A. None who served in the Japanese forces have come to Canada.

Q. Have they formally been refused entry, those who apply?—A. It has been the practice to deny passport facilities to those who served in the Japanese forces.

Q. Has there been no firm decision on the part of the government not to permit them to enter?—A. On the question of entry, I believe that they could not be refused entry if they presented themselves at a port of entry.

Mr. GRAYDON: People who have fought against us could not be refused entry into this country?

The WITNESS: As long as they are Canadian citizens it is not possible under the Immigration Act.

Mr. FLEMING: I think they should be welcomed into the arms of the police with a treason indictment awaiting them.

Mr. GRAYDON: Do we allow people guilty of a high crime to come into this country?

The WITNESS: According to the Immigration Act it would be impossible to refuse entry to Canadian citizens.

Mr. GRAYDON: Well, the Act ought to be changed.

Mr. GAUTHIER (*Portneuf*): You cannot stop a Canadian citizen from coming back to Canada even if he fought in the Japanese army. You must remember we are now at peace with Japan.

Mr. STICK: I do not see how you can charge a Canadian citizen who served in the Japanese army with treason until you get him on Canadian soil, and I understand from what the witness said there has not been any on Canadian soil yet.

The WITNESS: Yes, sir, that is right.

Mr. FLEMING: I am afraid Mr. Stick is quite wrong about that. He is overlooking the fact of extradition, where you can charge citizens who are outside the country and who have committed a criminal offence, you can charge them and extradite them after a preliminary hearing in the country in which they are. If the proceedings are favourable, you can bring them back to Canada.

Mr. STICK: What is our treaty of extradition with Japan in this case?

Mr. FLEMING: I do not know, but certainly treason is one of the extraditable offences, normally recognized in extradition treaties. I would like to ask the witness a further question.

Mr. STICK: One moment, now. Let us have that cleaned up. Can you answer that, Mr. Brown?

Mr. ERICHSEN-BROWN: With all due respect to Mr. Fleming, I do not think it is a correct statement to say that treason is an extraditable offence. Most extradition treaties except political offences, and treason would be a political offence in another state. From the point of view of our state it would be a crime against the Crown. Incidentally, I might say if you charged a former dual national who had lost his Canadian citizenship under the present Citizenship Act while he was outside of Canada on the ground of serving in enemy forces, then he would no longer be triable in Canada for treason if you could get him here, because the offence of treason is tied up with the idea of allegiance to the Crown. That is a fact that always has to be kept in mind. It is quite a difficult question.

Mr. FLEMING: I would like to ask the witness how effective the withholding of passport facilities is under present conditions in Japan. Have we any guarantee that those people, even if they are denied passport facilities, will not find their way into Canada?

The WITNESS: Up to now it has been very effective. No one has reached here, to our knowledge. It is, of course, possible that a Canadian-Japanese might in the future board a Japanese ship and arrive in Vancouver—that is possible—but up until very recently no person could leave Japan without an exit permit from the Supreme Commander of the Allied Occupation Force, and for that he would require a passport.

Mr. MURRAY: I think, Mr. Chairman, in view of our relations with Russia, with whom we were allied for so long, that to be tender and generous to the Japanese would be merely to inflame the passions of the Russian people who know them better than we do.

The CHAIRMAN: It would be hard to answer that question, too.

Mr. GRAYDON: I guess the Russians will find some way of being inflamed without that.

Mr. STICK: They do not need any excuse to be inflamed.

Mr. MACKENZIE: I would like to ask a question along these lines: If a person had dual citizenship, say both Japanese and Canadian, and he was drafted into the army when he landed in Japan, what would be the result if he refused to serve in the Japanese army—supposing he did refuse what would be the penalty for a chap in that category?

The WITNESS: He would undoubtedly suffer the normal penalty of Japanese law which would be brought into play against any ordinary Japanese

citizen who refused to serve when conscripted; as similarly in any other country, if a national of that country is called up for service he must serve; in Japan, these persons were regarded as Japanese citizens by the Japanese authorities and they had no alternative but to serve.

By Mr. Fleming:

Q. There was no effort made while the western powers were in occupation in Japan to apprehend these persons regardless of the formality of extradition, to apprehend them and bring them to Canada for trial?—A. No, sir. War criminals were, of course, apprehended.

Q. But these persons were not regarded as war criminals in the sense in which the expression is commonly used?—A. No, sir.

Q. It is the same situation as that of Joyce, remember Lord Haw-Haw in Berlin—it is the same situation. He was brought out for trial in Britain.

The CHAIRMAN: Any more questions? Thank you, Mr. Wardroper. We will now call upon Mr. Erichsen-Brown on the legal aspects. Will you make a statement first, Mr. Erichsen-Brown?

Mr. J. P. Erichsen-Brown, Legal Division, Department of External Affairs, called:

The WITNESS: Gentlemen, the legal aspects in connection with the matter before the committee fall under two heads. First of all there is the bill itself. The considerations which arise out of the bill are chiefly of a legal character and the principal question in a nutshell is why the bill is necessary.

You will recall that the treaty has already been approved by resolution and this bill follows later.

In addition, I have some notes and explanations which I can make on various articles of the treaty. In so far as the bill is concerned my explanations will to a certain extent refer to the Custodian and claims. I would like to explain that I do not pretend to be an expert on these matters, but I have given some consideration to the legal implications in the bill, but if there are any detailed questions on claims I would prefer—in fact I would ask you, to leave them for Mr. Napier to deal with.

If it were satisfactory to the committee—and particularly because I do not want to bore the committee with explanations on legal factors which the committee might not wish to hear—I would suggest that I might give a brief explanation of the bill and possibly leave any questions on the treaty to be dealt with by way of questions from the members which I will attempt to answer.

By Mr. Graydon:

Q. Well, Mr. Erichsen-Brown, are you intending to say anything in connection with the protocol in respect to contracts, periods of prescription and negotiable instruments?—A. Yes, Mr. Graydon, I have the information which you asked the minister for on the first day and I can deal with that at any time you wish. I can leave it until we come to deal with the protocol or I can deal with it now or deal with it after I have dealt with the bill. Which would you prefer?

Q. It does not make any difference to me; whatever you want to do.—A. I would suggest I might proceed with the bill and then I can deal with the questions you asked and then possibly leave it open for anybody to ask any further questions on legal aspects.

Gentlemen, this bill is in the usual form which is employed to ratify a peace treaty. Its purpose is essentially to give sections of the treaty the force

of law or rather to enable the government to give them the force of law in Canada; in other words, to make the provisions of this international agreement effective in our domestic law.

I have the references to the earlier Acts upon which this bill is modeled. I did not bring them with me, but I can give the references if you would like to have them on the record.

First of all, it is in the same form as the Act of parliament which was assented to on June 30, 1948, approving the treaties of peace in connection with Italy, Roumania, Hungary and Finland. It is also substantially the same as the Japanese Treaty of Peace Act, 1951, of the United Kingdom, which entered into force in the United Kingdom on December 7, 1951. That, of course, is the corresponding Act in the United Kingdom approving the same treaty which is before the committee.

In addition it is in a similar form to earlier peace treaty Acts which were passed following the first world war by the parliament of Canada. I have the references to those Acts. Would you like to have them on the record? I will list them. There was chapter 30 of 1919 with reference to the treaties with Germany and Austria; chapter 4 of 1920 for the treaty with Bulgaria; and chapter 49 of 1922 for the treaties with Hungary and Turkey.

Section 2 of the bill defines the word "treaty". The treaty:

. . . includes the Declarations made with respect thereto by Japan at San Francisco on the said day, between Canada and Japan.

I am not certain that that reference to the declarations was entirely necessary because those declarations were really unilateral Acts of Japan. It is to be remembered they were made by Japan and also that it was partly on the faith of those declarations that the Peace Treaty was made. However, it does no harm to refer to them.

The treaty itself is not annexed to the bill and that also, I might say, is in accordance with the precedent set by the prior Acts. There are inevitably a number of provisions in a treaty of peace for which there is no necessity for making any rule that they are to have the force of law in Canada.

The essential section in the bill is section 3. This section reads:

The Governor in Council may make such appointments, establish such offices, make such orders or regulations and do such things as appear to him to be necesasry for carrying out the treaty, and for giving effect to any of the provisions thereof.

This is the basic section of the bill. As in the case of similar provisions in the prior legislation above mentioned, this section is enabling legislation providing that implementation will be by order in council. The basic reason for legislation of this type is that the settlement of property claims of nationals following a war gives rise to problems of great complexity.

The rights of Canadians against Japan or Japanese nationals must be reconciled with the possible recovery from Japanese enemy assets held in Canada which are surrendered by Japan under the treaty. This requires an appraisal of the different classes of claims, of the amounts of claims in each class, of the amount of funds held here, of the prospects of recovery in Japan and other factors. It is also necessary to establish rules as to who are to be regarded as Canadian nationals under the treaty and for purposes of any distribution of moneys in the hands of the Custodian.

By Mr. Stick:

Q. Have we got any Japanese funds frozen here?—A. That is a question for Mr. Napier. I would not have the details.

Q. You mentioned it there?—A. Yes, I mentioned it, but I thought I explained I felt obliged to refer to the Custodian matters, but I did not profess to be an expert on the details.

There are rules of international law which may be relevant in the one case, but irrelevant in the other. Certain claims may not be susceptible to immediate classification. Thus, a claim for restitution might ultimately, if restitution proved to be impossible, have to be treated as a claim for compensation.

Some indication of the complexity of the problems is afforded by the terms of reference of the Royal Commission under the Enquiries Act which was appointed to consider and report to the government by P.C. 3951 of July 31, 1951. I do not propose to refer to that in detail, but it is a matter of public record and if anybody would care to examine the various questions which were set forth in that order in council he would undoubtedly appreciate how complex these questions can be.

It is not known what provisions will ultimately have to be made by order in council. It is probable that the preliminary disposition of the funds in the hands of the Custodian will be a transfer to the Consolidated Revenue Fund and parliamentary approval of payment out of that fund is required by section 24 of the Financial Administration Act.

Now, the committee might be interested in the orders in council that were in fact passed under the similar sections of the treaties of peace in connection with those four countries, Italy, Roumania, Hungary and Finland. I think possibly it is not necessary for me to refer to them in detail except to make some general observations. There are only three in all. There was P.C. 2995 of June 16, 1949, which was a short order in council, the purpose of which was to give certain sections of these peace treaties the force of law in Canada. It was so stated in approximately those words in the text of the order in council.

The sections referred to corresponded to certain provisions in the treaty and they also included certain annexes to those treaties and three of these annexes correspond to three of the sections of the protocol which is annexed to the Japanese Peace Treaty.

Then there was P.C. 5818 of November 6, 1951, which was amended by P.C. 2535 of April 30, 1952, and which was entitled The War Claims (Italy) Settlement Regulations. The immediate occasion for this order in council was the carrying out of a lump sum settlement which had been negotiated with Italy. Apart altogether from the problems relating to claims, the most important provisions which are likely to require an order in council to make them effective in our domestic law are contained in the protocol and in particular the provisions relating to contracts, to periods of prescription and insurance. That was all I proposed to say on that section.

By Mr. Murray:

Q. Mr. Chairman, would the claims be received for those who suffered as a result of the undeclared war on the Japanese, that is, prior to the actual official one?—A. Mr. Murray, there is a section of the treaty which deals with pre-war claims and pre-war debts but Mr. Napier is much more familiar with that than I am and I would appreciate it if that question could be left to him. For one thing, it is a responsibility of his department; not of mine.

The CHAIRMAN: Any questions?

The WITNESS: Well, I had two brief notes on the two final sections of the bill. Section 4 provides that a fine or term of imprisonment may be given with a limit on the fine and term of imprisonment. I must confess that

I have had a little difficulty in running down the precise reasons for this section. I find that it has been customary practice to include sections of this kind in peace treaties and I have observed—Mr. Napier possibly might have something further to say on this—that there are provisions in the Custodian regulations which provide for the making of penalties and I think it is a safe statement that this section of the bill was put in largely as a precaution and the basis on which it was included might be summarized by saying that the bill is legislation to make effective upon the nationals of Canada, obligations contracted by the government of Canada with the approval of the parliament of Canada and it is usual in such cases, to make provision for a penalty if there is a violation.

Now I might say that none of the orders in council passed pursuant to to the 1948 Act provided for any penalties so that so far as those other treaties of peace are concerned it has not been considered necessary to make any provisions.

Finally the last section—

By Mr. Fleming:

Q. Just before you go on, Mr. Erichsen-Brown, you have indicated some difficulty in finding precedents for section 4. Is there any corresponding provision in the Treaty of Peace with Germany, Austria, Italy and Turkey that followed the conclusion of the first world war?—A. Mr. Fleming, perhaps I should have brought those with me. I confessed a moment ago that I had not brought the files with me. My impression is that that was so and if you would be interested in knowing the answer I would be glad to verify it.

Q. I do not remember looking at them recently, but unless there is some sound precedent for the kind of legislation we have in No. 4, I would have very grave doubts whether it is the kind of legislation parliament ought to pass giving the Governor in Council power to determine penalties, including imprisonment without further reference to parliament for violations of any order or regulation.

It is true there are ceilings put on the fine and the term if imprisonment, but unless there is good precedent for legislation of that kind, I for one might say I do not like giving the Governor in Council power to create legislation that fixes the penalties for violations of orders in council and permits even imprisonment up to two years for conviction upon indictment.

Mr. MURRAY: Two months, isn't it?

Mr. FLEMING: Two months for summary conviction and two years for conviction on indictment.

Mr. MURRAY: You get more than that for dangerous driving on the highways of Ontario.

Mr. FLEMING: Well, it seems to me it is the function of parliament to legislate where offences are clearly created by Acts of parliament and a function of parliament to give power to the Governor in Council to impose penalties of this kind for breaches of orders in council. We are very, very careful where we come to create criminal law and create offences. Parliament is always very careful to spell out the offences in the clearest possible terms and then to spell out the particular penalty that is to follow the breach, but here we are called upon to pass power to the Governor in Council to make orders in council and then to give the Governor in Council power to determine what punishment shall follow upon conviction of an offence created by order in council.

Mr. GAUTHIER (*Lac Saint Jean*): That is why the bill is coming before the House, to give the Governor in Council the power to do it.

Mr. FLEMING: I know the Governor in Council would not have any power to do it unless parliament gave him power to do it, but that does not make this

the kind of legislation parliament ought to pass, to give the Governor in Council power to create an offence and then determine the penalties without any reference to parliament.

We are always very careful when it comes to criminal law and here is a situation where penal law is being created by the Governor in Council and the Governor in Council is going to determine the offences and he is going to determine the penalty which may be two years' imprisonment upon indictment. That is a legislative task to be discharged by parliament alone, not delegated to the Governor in Council.

The WITNESS: I was going to make one other observation, Mr. Chairman. I would be glad to check the precedents of the earlier legislation after the first war and bring that information before the committee. I also have here a copy of the United Kingdom Act approving the Japanese Peace Treaty and I might quote two provisions in that Act.

Subsection 1 of section 1 reads:

His Majesty may make such appointments, establish such offices, make such orders in council, and do such things as appear to Him to be necessary for carrying out the said Treaty and Protocol, and for giving effect to any of the provisions thereof.

Subsection 2 says:

Any order in council made under this section may provide that persons contravening or failing to comply with provisions of the order shall be guilty of offences against this section, and (except in so far as any such order may provide for less penalties) any person guilty of an offence against this section shall be liable on summary conviction to a fine not exceeding one hundred pounds or to imprisonment for a term not exceeding three months or to both such imprisonment and such fine, or on conviction on indictment to a fine not exceeding five hundred pounds or to imprisonment for a term not exceeding two years or to both such imprisonment and such fine.

Mr. FLEMING: There is a very interesting distinction between the United Kingdom legislation and what we have here. There the Westminster parliament has definitely written a penalty into the legislation. There is no power given the King in Council to make the legislation. Now, we have the Governor in Council determining the penalties.

It is true there are ceilings, but there is a distinction in principle there that is as wide as eternity, Mr. Chairman. It is not a question of the size of the penalty but in the case of the United Kingdom legislation, the penalty is vested in the legislation by parliament itself. There is no power conferred on the King in Council to prescribe the penalty but under this bill power is purported to be given to the Governor in Council to determine the penalty.

The CHAIRMAN: I think the power is given by order in council there.

Mr. FLEMING: No, the penalty is defined in the legislation itself.

The WITNESS: The United Kingdom order provides—I will skip the irrelevant words—

Any order in council made under this section may provide that persons contravening or failing to comply with provisions of the order shall be guilty of offences...

Then it goes on; I will leave out the intervening words:

and any person guilty of an offence against this section shall be liable on summary conviction to a fine...

etc.

Mr. FLEMING: It is written right into the Act. Parliament does the legislating, parliament fixes the penalty.

Mr. GAUTHIER (*Lac Saint Jean*): Yes; it is done by the legislation the same as it is here.

The CHAIRMAN: Not very different. There is very little distinction between the two.

Mr. FLEMING: There is a distinction of principle there as wide as eternity. There the King in Council is given power to determine what are offences against the order in council but the legislation itself prescribes the penalty for any breach of that order. Now, look at what we have here. We have here a provision that not only permits the Governor in Council to make an order and to say what is to be a violation but also goes on to give the Governor in Council power to determine by order in council what shall be the penalty for a breach of the order in council.

Mr. GAUTHIER (*Lac Saint Jean*): I am not a lawyer, Mr. Chairman, but I think this power to the Governor in Council cannot be given to him until after the law has been passed by parliament, and it is your privilege to uphold the law if you want to.

The WITNESS: There is one point that is slightly relevant to Mr. Fleming's observation and that is this, that while under the United Kingdom Act a fine is fixed by parliament, the limits set by parliament exceed those set forth in subsection 2 of section 4 by our bill; in other words, whereas by our bill the power is reserved to the Governor in Council, the council is limited to the extent of prescribing the fines, the limits being less than those set forth in the United Kingdom legislation, that is, the maximum limits.

Mr. FLEMING: It does not touch the principle of legislation of this kind at all.

The CHAIRMAN: What would be your remedy in this case if you want to comply with what they do in England?

Mr. FLEMING: Provide what the United Kingdom has done,—write the penalty into the legislation, Mr. Chairman, and not to say as section 4 does in line 21 that:

(the Governor in Council) may also prescribe whether the penalty shall be imposed upon summary conviction or upon conviction under indictment.

And so on and so on. And in line 19:

may prescribe a fine or a term of imprisonment or both a fine and a term of imprisonment as a penalty for violation of any order or regulation...

The CHAIRMAN: Well, it has no more power here than it has on the British one.

Mr. FLEMING: It is perfectly clear, Mr. Chairman, that the legislation of the United Kingdom does two things: It permits the Queen in Council to say what constitutes a breach of the order in council which is passed under the terms of the legislation; and their legislation itself says or stipulates what the penalty is that follows any breach. But our legislation not only gives the Governor in Council power to make orders and to determine offences, but it also, under clause 4, subclause 1 gives the Governor in Council the power to prescribe fines, or the term of imprisonment which may follow, subject, of course, to a limitation. But that is not enough.

Mr. STICK: Does not section 2 of clause 4 define it?

Mr. FLEMING: No. It prescribes limits, but it still leaves it to the Governor in Council to prescribe.

The CHAIRMAN: It is only to a limited extent included there in the law. The safeguard are there, the same as they have safeguards in England.

Mr. FLEMING: In England the King in Council is not given any power to prescribe penalties. The parliament determines that in the bill.

The CHAIRMAN: That would be the difference in prescribing, and in following the letter of this law.

Mr. FLEMING: Parliament states the penalties over there, but here it is left to the Governor in Council to prescribe the penalties and to determine the fines and the imprisonment under certain proceedings. This is not an occasion for parliament to be delegating legislative powers, when it comes to the possible imprisonment of a subject.

The CHAIRMAN: The delegation of power is certainly well defined.

Mr. FLEMING: There is a limit, that is true, but why should our parliament be giving the power to the Governor in Council to prescribe penalties or imprisonment which would follow a breach? Why does parliament not do it in the legislation, as it was done in Great Britain? It is one of the soundest rules of legislation that when you come down to doing things which may interfere with the liberty of the subject, it should not be left to a mere group of men sitting in camera to determine what should be the penal law of the country. That is a task for parliament itself, and parliament should not be delegating legislative powers of that kind.

The CHAIRMAN: What would be your amendment?

Mr. FLEMING: I would suggest that we follow the language of the United Kingdom Parliament. It would be a simple matter to draft; it would eliminate these words in the bill, part of section 4 subsection 1, giving power to the Governor in Council to prescribe fines or terms of imprisonment or both. I have not got the text of the United Kingdom bill before me, but it would be a simple matter to draft it, and to do it by direct legislative enactment of parliament. You could have the same limits as you have in section 4, subsection 2, but it would mean that parliament is creating the penalty and not leaving it to the Governor in Council.

The CHAIRMAN: May we not carry on with the evidence and come back again to these clauses?

Mr. FLEMING: It is a simple matter for Mr. Erichsen-Brown to prepare something along that line.

The WITNESS: You will appreciate the fact that it is the Department of Justice which is responsible for all legislation in a matter of this sort and we would be guided by their views. But I would be glad to follow your suggestion, Mr. Fleming, and bring it to their attention.

Mr. GRAYDON: A suggested amendment could be made without interfering with what we have in mind in connection with the bill, which would establish the principle once and for all, I mean the principle which Mr. Fleming was so very wise in bringing before the committee. It would be merely a question of getting the principle properly established.

The CHAIRMAN: I think it would be hard to deal with it unless we have an official from the Department of Justice.

Mr. FLEMING: It would be an easy matter for them to recast this. It does not interfere with clause 4 subclause 2. You leave the same limits, if that is what is desired, and all you need to do is to follow the terms of the Westminster legislation.

The CHAIRMAN: We will leave the suggestion now and call an official of the Department of Justice. Would you bring it to their attention, Mr. Erichsen-Brown?

The WITNESS: Yes, I would be glad to do so. I may be able to get some further information.

Mr. GRAYDON: In the meantime, that section could stand, Mr. Chairman.

The CHAIRMAN: Yes, until we get some further information from Mr. Erichsen-Brown.

The WITNESS: The last section reads that:

5. Any expense incurred in carrying out the treaty shall be defrayed out of moneys provided by parliament.

That is the usual type of section which is included in an Act when it is enacted to direct the attention of parliament to the fact that an expenditure may be required, and that it would have to be provided for in the estimates in the usual way. I might say that any expenditure in the administration of the Act is expected to be a very minor character.

Mr. GRAYDON: Do they not usually put at the end of a bill of this kind some indication as to whether it will be brought in by proclamation or by assent?

The WITNESS: Mr. Graydon, there is no provision fixing a definite date. The only comment I might make on that is that the termination of the state of war, as a matter of domestic law, does not depend upon a bill. There is a legal explanation for it. There are certain prerogative powers of the Crown on questions of peace and war, and whenever a question of the existence of a state of war arises, as a matter of domestic law the practice is for the Court to inform itself as to what the Crown has done. The information may be obtained by reference to a proclamation issued by the Crown, or it may be a certificate of the Secretary of State for External Affairs as to what the Crown has done. Or, alternatively, the court may take judicial notice of the treaty itself, which, under our constitutional system, is also founded on certain prerogative powers. We gave some consideration to that and I might say that under the earlier peace treaties referred to in the Act of 1948, proclamations—two of them, I believe—were issued. One of them referred to three of the treaties and the other one referred to one treaty to the effect of both was to terminate the state of war in the domestic law of Canada on the same date on which war had been terminated internationally, under the international instrument.

By Mr. Stick:

Q. And the situation now is what?—A. That is under consideration and I have no doubt that the same practice will be followed.

Q. But what is the situation now, when parliament ratifies this and it is signed by the Governor General? Will it automatically come into force?—A. Yes. And that happens with any bill when it receives the royal assent.

The CHAIRMAN: Are we now ready for Mr. Napier? Thank you, Mr. Erichsen-Brown.

The WITNESS: Would you like the information on your question now, Mr. Graydon?

Mr. GRAYDON: Yes.

The WITNESS: Mr. Graydon asked the minister for information as to which of the multilateral conventions referred to in paragraph 2 of the first declaration of Japan were binding on Canada. That paragraph lists nine multilateral conventions. The answer is that Canada is not a party to the third, the fifth, the sixth and the ninth of the conventions listed.

The subject matter of those conventions is not something which is of particular concern to the legal division in my department, but we maintain there a treaty register and we are a source of information for any department of government or for any Canadian citizen who is seeking information concerning treaties to which Canada is a party. I have brought with me our treaty cards on these conventions. They are on a printed form, as you can

see, and include a considerable amount of miscellaneous information that is recorded on these cards in connection with the treaties. I did not come prepared to make any detailed reference to these conventions, but I would be very glad to show the cards to you. They have, of course, to go back to our records. Therefore, if you have any specific questions to ask, I would be glad to answer them as far as I am able.

Mr. GRAYDON: Do we have so many treaties now that we have to keep a card index for them?

The WITNESS: You would be surprised, Mr. Graydon, but on the other hand, perhaps you would not because you are so very well versed. There are a large number. We have a multilateral treaty wheel as well as a bilateral treaty wheel, and we have records of the earlier treaties which we inherited and which were made by the United Kingdom many years ago.

Mr. GRAYDON: These additional treaties in which Canada would be interested, according to this declaration, would cover, as I see, a protocol on narcotic drugs; a protocol in respect to the distribution of narcotic drugs; and then another one would be in respect to economic statistics; and another one with respect to international transportation by air; and there is still another convention on the safety of life at sea; those are the ones which would be affecting Canada, as I understand it.

The WITNESS: Those are the ones to which Canada is a party.

Mr. GRAYDON: The others are general conventions.

The WITNESS: That is right.

Mr. GRAYDON: May I see those cards in the meantime?

The WITNESS: When I say that we are a party, I am of course referring to our being bound. That would mean that in any case where the convention had been first signed and opened for ratification, then if we had signed but had not yet ratified, I would consider we were not bound, and therefore I would say that we were not a party to it.

Mr. A. Napier, Director of the War Claims Branch, Enemy Property, Department of the Secretary of State, called:

The WITNESS: My main reason for being here is in connection with the subject of war claims. You probably know that last summer Mr. Justice Ilesley was appointed a commissioner by the government to inquire into war claims and to make recommendations as to which classes of claims should be paid in full, which classes of claims should be paid in part only, and which classes of claims should be disallowed.

His report unfortunately has not yet been published, but according to a statement made by the Prime Minister on the 7th of March in the House of Commons, it is the intention of the government to table his report and to make it available to the public, so that people who have claims will know whether the classes of claims in which they are interested have been recommended for compensation or not.

I would like to draw the attention of this committee to the terms of reference of Mr. Justice Ilesley. His attention was specifically directed to death, personal injury, maltreatment—that is, maltreatment per se, and that refers, of course, to prisoners of war and internees in internment camps, and also to property claims.

With regard to property claims alone we have notice of losses, mainly of physical assets, but also of money claims, in some 12 different countries in the Far East, including Japan itself. In the treaty there is a provision under article 15 which is known as the Allied Powers Property Compensation Law, which obliges the Japanese government to pay 100 per cent compensa-

tion in yen for certain types of property losses in Japan itself, that is, loss incurred because of acts of hostilities, or wartime special measures taken against Canadian property because it was considered to be enemy property.

One of the reasons for the appointment of Mr. Justice Ilsley was that in many areas of the world where hostilities took place there is no provision for compensation locally. Under article 14 of the treaty, however, the Canadian government has the right to seize, retain, liquidate, or otherwise dispose of Japanese property in this country. Incidentally, that amounts to approximately \$3.8 million.

Of course I do not know what action the Canadian government will take. I merely say that this right exists. And then, in addition, we have many claimants with losses in Europe, and there is the German reparation derived from the Paris Agreement on German reparation. Mr. Justice Ilsley was also asked to estimate the total amount of funds available for payment of such claims, and the classification of such claims; and also to recommend as to priorities; that, of course, is an exceedingly important thing in view of the fact that we can never be sure what the claims are going to amount to, once they are processed.

And in the case of Germany, the Paris Agreement is still in operation and reparations are still being received, and we cannot say with any certainty what sums we will eventually get from that source.

Then there is the question of the nationality and the domicile of claimants. We have not only natural persons claiming, but there must be considered corporations of different types, for example, foreign business corporations, resident owned investment corporations, non-resident owned investment corporations, holding corporations with subsidiaries carrying on active trading operations in Canada, and so on.

Another of the terms of reference was whether interest should in any cases be allowed in respect to classes of claims.

The government has just put into operation a scheme which has some bearing on a restricted class of claimants in the Far East. The government recognized that many claimants might be suffering from serious financial hardship; where such hardship exists, and where the claim is in respect of death or personal injury, interim compensation may, under certain circumstances, be granted. In connection with this interim compensation scheme the death or personal injury, as the case may be, must have been caused by acts of actual warfare or maltreatment in internment or detention by an enemy government. Claimants, whose applications are accepted, are entitled to receive a limited amount of compensation. That is purely a stop-gap scheme to try to alleviate some of the worst cases of hardship.

Another matter on which I can give some information is that of Japan's pre-war external indebtedness. Canada has some interest in that. There are some people who are holders of United States dollars or sterling bonds, but my main subject is the question of claimants whose losses arose out of the war, and I can give information on the type of claims we have got and where they are and so forth.

By Mr. Murray:

Q. In one case they burned down a hospital over there which had been built for the treatment of lepers by the Rev. Father Pius of Montreal, and it was maintained by subscriptions from Canadian sources. They threw this priest into jail, the man who was operating the hospital, and they imprisoned the staff and carried out certain other atrocities. Would there be any compensation in a case like that?—A. I cannot say what Mr. Justice Ilsley's recommendations are, but I can state that his attention was specifically drawn, in the order in council, to maltreatment.

Q. In this case, the Rev. Father Pius had given all his life to the treatment of lepers.—A. I can only repeat, as the Prime Minister pointed out in the House of Commons on the 7th of March, Mr. Justice Ilesley's report has hundreds of recommendations in it

Q. They said that because Father Pius was operating a hospital, he was entertaining dangerous thoughts. He was very popular with the people who came, naturally, for free treatment. As a matter of fact, the hospital was within range of a certain gun emplacement, and they wanted to be able to sweep the channel; so they just blew the hospital out of existence. This was before war was declared. I believe that Father Pius has since died. Surely there should be a place there for a very heavy compensation to the group who built that hospital, as well as an order made for the restoration of the building.—A. These are classes of claims to which Mr. Justice Ilesley's attention was directed—personal injury, maltreatment, and loss of or damage to property.

By Mr. Stick:

Q. What is the position, Mr. Chairman? It may not be a proper question. For instance, I am a Canadian citizen and I hold Japanese government bonds. Have I got to give up those bonds to the Canadian government?—A. No, that is not really a war claim. That is a claim arising out of a pre-war obligation of the Japanese government to repay you, and to pay you in sterling, United States dollars or French francs, whatever the currency is. Article 18 of the treaty of peace with Japan obligates the Japanese government to enter into negotiations with the allied powers and with the allied creditors in order to settle its pre-war external indebtedness. I understand the total amounts involved are not very much, not as considerable as Germany's pre-war indebtedness.

Q. But would the Canadian government take over these Japanese bonds from me?—A. No, those are your own funds. You hold those funds. The Japanese government may have guaranteed them or not—maybe they are bonds issued by a power company in Japan and the Japanese government probably guaranteed those bonds.

Q. In other words, they are not recognized as Japanese assets in this country?—A. No, certainly not, sir. That is an entirely different question. But there is an obligation imposed upon Japan in the treaty to enter into negotiations, but when they will do it I do not know. We all hope it will be fairly soon. It is possible that a number of such external bonds of which we have notice have been sold, but we have here knowledge of sterling indebtedness in the hands of Canadians, amounting to £100,000 sterling, and United States \$250,000. Those are some of the pre-war claims which Japan has to satisfy, and and she has to satisfy those claims in addition to the rights under article 14, which the Canadian government has, if it wishes, to seize, retain, liquidate or otherwise dispose of Japanese property in this country.

Q. And the price that one could obtain for it would be subject to negotiations with the Japanese government?—A. Yes; but I believe I am right in saying here that there is quite a good market price for those bonds today but a lot of people are holding on to them. They are appreciating in value because it is known that Japan has deposited \$20 million United States funds in Washington and £20 million sterling in London as evidence of its good faith to resume payments.

Mr. MURRAY: That would likely be funds that they had hidden while they were getting big loans from General MacArthur.

The WITNESS: That is a question I know little about, but this matter is, of course, a different question from claims arising out of the war such as deaths, personal injury, maltreatment and property loss or damage.

Mr. GRAYDON: Mr. Napier, how much money or other goods on an estimated value basis have we in Canada and now in the Custodian's Office which would be available for claims by the Canadians against the Japanese?

The WITNESS: \$3·8 million.

Mr. MACKENZIE: The way I understand it is that in settling these claims there is a priority given to certain claims.

The WITNESS: The commissioner was asked about the priorities, if any, that should be established for classes of claims. That is a matter which is dealt with in the report.

By Mr. Graydon:

Q. \$3·8 million will not go very far towards meeting the indebtedness that Canadians have, will it?—A. We must take two things into account. Firstly, after World War I there were four commissions in Canada, operating over a period of 11 years on this subject. Those first three commissions faced claims totalling \$56 million. I have analysed most of the decisions and I think it is a proper statement to make that those claims were dealt with with great impartiality and fairness; \$6 million was awarded and \$2 million of that \$6 million represented interest.

Secondly, there is the question of German reparations which are more substantial than what we receive under Article 14. I cannot anticipate what decision the government will take but the possibility exists, if it is decided to establish a fund, to have the German reparations and the assets seized under Article 14 pooled into one fund. I agree that at first sight there may appear to be very little money but I do not believe that it is as bad as it may seem.

Q. Well, the Japanese peace treaty itself is generally regarded as being pretty lenient towards the Japanese with respect to the payment of war reparations and so on?—A. Yes, it is lenient towards the Japanese as regards those countries which were devastated, like the Philippines or Burma. We did not have any Japanese here and my own view is the situation is not too bad as regards claims and assets.

The CHAIRMAN: There is one thing: we feel certain that in the hands of Mr. Justice Ilesley due consideration will be given to all angles of that big problem. I know that from experience in parliament.

The WITNESS: I had the privilege of working with Mr. Justice Ilesley for seven months on this and I would like to endorse most heartily what you have said, Mr. Chairman.

Mr. STICK: We will take your word for it, Mr. Chairman.

By Mr. Graydon:

Q. Chapter V of the treaty itself, article 14, first of all recognizes that Japan should pay reparations to the allied powers?—A. Yes.

Q. And then it goes on to say that Japan will promptly enter into negotiations with allied powers so desiring, whose present territories were occupied by Japanese forces and damaged by Japan. That is the point you are making?—A. Yes, but that is not Canada.

Mr. STICK: It is the Philippines.

The CHAIRMAN: What about China and Indonesia?

The WITNESS: Both these countries suffered invasion. You will note in article 14 that there are certain exceptions from liquidation. Those exceptions from a monetary point of view, I am assured, do not amount to very much. They are exceptions which are very similar to the exceptions in the Paris Agreement on German Reparation.

By Mr. Murray:

Q. I suppose anything that was done in a military way here, like the measures taken to defend Canada against Japan, that of course is legally out of this category?—A. If the government decided to seize, retain, liquidate or otherwise dispose of these assets, it could very well pay them into the Consolidated Revenue Fund and say no one is to have any compensation; also naturally the Canadian government, if it wishes to set up a fund, could itself claim against the fund.

Q. Are expenditures on the northeast staging route collectible?—A. That is dealt with in this report, that is, as to how far the government of Canada should claim against the fund.

Q. That will be at least \$130 million. You could add the Canol oil development, \$150 million possibly.—A. Oh, yes.

Q. And the construction of the Alaska highway, at least \$120 million.

Mr. GRAYDON: You are going to need an adding machine!

By Mr. Murray:

Q. The telegraph line up there, which ran into a huge sum.—A. As I said the government could take these funds for itself.

Q. And with people complaining in Canada, yet we are going to allow those people to set themselves up by dozens and we are going to extend the arm of friendship around them and go through the whole process once more.—A. I cannot concern myself with that aspect.

Q. But those are facts.—A. I am not dealing with political matters.

Q. Those who shape the policy should keep well in mind the terrific impost which was put on this country to protect it against invasion which had been under way and was succeeding. They came into the Aleutian Islands and could have remained a very long while, and the cost of that to Canada was enormous, and if we go before the people now they will say, "Our income tax is too high, our taxes and so forth are tremendous"—it is an opportunity, really, to—

Mr. STICK: —squeeze the Japs!

Mr. MURRAY: I have not thought of any such thing at all, but keeping squarely before the people the facts, that is all.

The CHAIRMAN: We all realize you are perfectly right, Mr. Murray, but in dealing with that we must have in mind that the United States suffered also very grievously and that the peace treaty which Mr. Dulles drew up was a marvellous piece of work.

Mr. MURRAY: And had it not been for the Canadian people taking the position they did, there might have been a Japanese at Washington in the chair of the President. They were good enough to occupy American soil and to drive the Americans out of Manila, and to sink the top ships of the British navy and to occupy all our ports on the coast of China. They were even within one step of occupying the United States, and it would have happened had it not been for the protection given by the Canadian people and by the British influence here in the north.

Mr. DECORE: And that is why they had the experience at Hiroshima.

The CHAIRMAN: That is why I say it is a marvellous document, that peace treaty with Japan, and it may prevent a recurrence of such a horrible catastrophe as happened during World War II.

By Mr. Graydon:

Q. Mr. Napier, in connection with the interim claims with respect to injuries or losses incurred through the Japanese war by Canadian citizens, what progress is being made with respect to that?—A. As I explained earlier, that is

a restricted scheme. First of all, the claimant must show he is suffering serious financial hardship; in addition, it is restricted to death and personal injury. That means awards for maltreatment per se, or for property losses, based on this scheme, cannot be entertained.

However, if for example, a claimant can show permanent impairment of earning capacity due to maltreatment in enemy internment he would be eligible to receive compensation under the interim compensation scheme if he can satisfy the other tests such as serious financial hardship and that he is a Canadian citizen now and was a Canadian at the time of the act complained of. As I say, they call that the interim compensation scheme. I do not mean to imply that there is any recommendation in Mr. Justice Ilsley's report that there should be serious financial hardship. I am not free to speak on the recommendations. That scheme was put into effect just to try and help some of the worst cases financially.

Q. When the claims are being decided—that is the claims outside these interim, hardship, claims—will soldiers who were in Japanese prison camps and who suffered very greatly from malnutrition and the like, will they be free to put in a claim with respect to those things?—A. They have claimed already. The Hong Kong Veterans Association of Canada has put in a claim on behalf of the Hong Kong survivors—I think there are approximately 1,400 left alive, 200 or 300 died while they were prisoners—and that is one of the many classes of claims which is dealt with very extensively in Mr. Justice Ilsley's report. He has made recommendation as to these claims.

The CHAIRMAN: We know it would be impossible to implement to the full those claims, but the thing we want to see is that it will be done in a way that will be satisfactory to all concerned, to the extent of the limited payment that will be received.

Any more questions on this?

By Mr. Graydon:

Q. May I ask one more question, Mr. Chairman? If the \$3.8 million does not go far enough in taking care of these claims, have we a claim then against Japan?—A. No; but supposing the government decides to utilize these funds for the purpose of compensating these people who suffered from special losses, losses over and above the ordinary losses suffered by individuals in the war, because that is really what they are, some system of priorities would probably have to be applied, that question is very difficult for me to discuss because I would have to go into the priorities which have been recommended, and I cannot do that.

Q. I was not intending that you should divulge any of your special information on the subject; I only wanted you to keep it within the terms of the peace treaty.—A. There are four main claims provisions under the terms of the peace treaty. Firstly, we have the right to seize, retain and liquidate under article 14.

Q. That is the \$3.8 million?—A. That is right. No. 2 is this 100 per cent compensation at replacement value in yen for property losses in Japan itself, under the Allied Powers Property Compensation law, which is referred to in article 15 of the treaty, No. 3 is the obligation of the Japanese government to resume payments or to enter into negotiations with respect to its pre-war external indebtedness. There is a fourth matter which is a factor of some importance as regards Canada on the question of claims. There is an article in the treaty under which Japan agrees to surrender its assets and those of its nationals in ex-enemy and neutral countries. Those assets are to be handed over to the International Red Cross for liquidation. The International Red Cross will then distribute those funds to various designated national agencies for the benefit of former prisoners of war and their families.

That is quite additional to article 14 and to the Allied Powers Property Compensation Law. In other words, Japan, like Germany, has lost her external assets in neutral and ex-enemy countries under this treaty. Unfortunately I am not in a position to give to this committee any information as to the extent of these assets. It is very hard just at the moment to obtain accurate information. Neither do I know the basis on which they will be allocated. On the other hand, it is a fair assumption to say that we shall probably get something.

Mr. MURRAY: The Ilsley report has not yet been made public?

The WITNESS: No, but as I stated, the Prime Minister did say it would be tabled in the House of Commons and then made available to the public. All the recommendations are in that report.

Mr. STICK: I move we adjourn.

The CHAIRMAN: I believe I am voicing the sentiments of members of the committee when I extend the thanks of the committee to officials of the departments who have come here and given us all this information.

Mr. MURRAY: I heartily agree with that.

The CHAIRMAN: Before we adjourn; we will have to have another meeting about the matter brought up by Mr. Fleming, which is a very important one. In the meantime Mr. Erichsen-Brown will contact the Department of Justice with the information we have received here. We have to have a sitting on that particular question. Will it be satisfactory for the members if we try to hold a meeting on Tuesday, at 4 p.m.?

Agreed.

EVIDENCE

June 10, 1952.

4.00 p.m.

The CHAIRMAN: Gentlemen, we will proceed now. I believe there is only one point left, and that was a point raised by Mr. Fleming, on which Mr. Erichsen-Brown was going to give more detailed information, so I will now ask Mr. Erichsen-Brown to proceed on that point raised by Mr. Fleming.

Mr. J. P. Erichsen-Brown, Legal Division, Department of External Affairs, called:

The WITNESS: Mr. Chairman, I have prepared a written statement on the question asked by Mr. Fleming towards the close of the last meeting, and this statement is based, in part, on a discussion which I had with Mr. Driedger, who is the draughting counsel in the Department of Justice. For the sake of completeness, I have included the technical references to a number of pieces of legislation.

When the bill to approve the Japanese Peace Treaty was considered at the last meeting of the committee, Mr. Fleming questioned the desirability of legislation in the form of section 4 of the bill. This section enables the Governor in Council to "prescribe a fine or a term of imprisonment or both a fine and a term of imprisonment as a penalty for violation of any order or regulation". There is also power to prescribe whether a penalty is to be imposed on summary conviction or upon indictment. Although the power to prescribe a fine or term of imprisonment is conferred upon the Governor in Council, there is a restriction upon such power under subsection (2) of section 4 in that parliament would set the maximum limits within which such fine or term of imprisonment might be imposed.

In the course of the discussion of this section, reference was made to the Japanese Treaty of Peace Act, 1951, of the United Kingdom, and it was pointed out by Mr. Fleming that under that Act a distinction had been drawn between the creation of an offence on the one hand and the imposition of a penalty or term of imprisonment on the other hand. The scheme of the United Kingdom Act was to confer the power to create an offence by order in council, but parliament itself defined the penalty or imprisonment.

Although the limits fixed by parliament in the United Kingdom were greater, both as regards the amount of the penalty and the possible term of imprisonment, than the limits which would be set by parliament if the bill before the committee were adopted in its present form, Mr. Fleming nevertheless maintained that there was a point of principle involved and that it was undesirable to confer upon the Governor in Council the power to fix a penalty or term of imprisonment even within limits which had been set by parliament.

I undertook to obtain some further information in explanation of the difference between the bill which is now before the committee and the corresponding Act in the United Kingdom approving the Japanese Peace Treaty. I also undertook to obtain for the committee particulars of the corresponding legislation in both countries after the First World War.

It appears that both the United Kingdom and Canada departed from the precedents set after the first World War in their legislation enacted after the second World War. The United Kingdom legislation after the first World War was as follows:

The Treaty of Peace Act, 1919, (9 and 10 Geo. V, c. 33)

The Treaties of Peace (Austria and Bulgaria) Act, 1920, (10 Geo. V, c. 6)

The Treaty of Peace (Hungary) Act, 1921, (11 and 12 Geo. V, c. 11)

The Treaty of Peace (Turkey) Act, 1924, (14 Geo. V, c. 7)

The corresponding Canadian legislation after the first World War was as follows:

The Treaties of Peace Act, 1919, (10 Geo. V, c. 30)

The Bulgarian Treaty of Peace Act, 1920 (10-11 Geo. V. c. 4)

The Hungary and Turkey Treaties of Peace Act, 1922, (12-13 Geo. V. c. 49)

All of this legislation (both United Kingdom and Canadian) although differing in other respects, employed the same language in connection with penalties. This was as follows:

Any order in council made under this Act may provide for the imposition by summary process or otherwise of penalties in respect of breaches of the provisions thereof.....

The word "penalties" as used in the legislation above mentioned was subsequently interpreted to cover both fine and imprisonment. See the Treaty of Peace (Germany) Order, 1920, commencing at page XXXVII of the Statutes of Canada 1920 and in particular, Sections 5, 21, 22, 37 and 50 of that Order.

The first legislation of the United Kingdom following the Second World War was:

The Treaties of Peace (Italy, Roumania, Bulgaria, Hungary, and Finland) Act, 1947.

It contained the following provision:

Any order in council made under this Act may provide that persons contravening or failing to comply with provisions of the Order shall be guilty of offences against this section, and (except in so far as any such Order may provide for less penalties) any person guilty of an offence against this section shall be liable on summary conviction to a fine not exceeding one hundred pounds or to imprisonment for a term not exceeding three months or to both such imprisonment and such fine, or on conviction on indictment to a fine not exceeding five hundred pounds or to imprisonment for a term not exceeding two years or to both such imprisonment and such fine.

This section is in identical wording (except for the word "Act" in place of the word "section" in the first line) with the section of the Japanese Treaty of Peace Act, 1951, of the United Kingdom which I read to the committee at the last meeting and which is quoted in the proceedings of the committee.

The Canadian Act entitled:

The Treaties of Peace (Italy, Roumania, Hungary and Finland) Act, 1948, (11-12 Geo. VI c. 71)

contained a section in identical language to Section 4 of the Bill now before the Committee.

Although the Canadian legislation after the Second World War is in different language from similar legislation enacted by the United Kingdom after the Second World War, the difference is not a difference of substance but only of form. Thus the United Kingdom Parliament fixed the maximum penalties, but the words which appear in brackets in both of the United Kingdom Acts

(except in so far as any such Order may provide for less penalties) indicate clearly that the actual penalty imposed in the United Kingdom is fixed by order in council. The provision before the Committee embodies the same principle.

In other words the United Kingdom legislation purported to fix the penalty, but in terms which included the word "not exceeding" preceding the amount of the fine or the term of the imprisonment. It also recognized that an order in council might provide for a lesser penalty.

The Canadian legislation (both the 1948 act and the bill before the Committee) delegates the power to fix the penalty, but restricts the power by prescribing the maximum limits of the penalty in a separate subsection.

It should be noted that in the United Kingdom Acts of 1948 and 1951 the word "penalty" applied to both a "fine" and to "imprisonment". Similarly, in the Canadian Act of 1948, as well as in the bill before the committee, the word "penalty" in the context applies to both a "fine" and "imprisonment".

The principle of the legislation in both countries is, in fact, the same. The only difference of substance is that in the United Kingdom greater fines or terms of imprisonment can be imposed by order in council than in Canada.

Gentlemen, I shall be glad to answer any further questions that I can. I have, as I said, the text of the actual orders that were passed under the Treaty of Peace Act of 1919. I suggest, with respect, that what this question boils down to is this, that all the legislation in both countries is essentially the same. This legislation after the First World War included the word "penalty", but when you have regard to the order in council passed under that legislation, and I understand from Mr. Driedger that the word "penalty" is generally given such a meaning, that word extends to both fine and imprisonment. In other words, the fine and imprisonment was in fact authorized under the legislation after the First World War, and was, in effect, imposed by order in council under at least four or five provisions of the order made in 1920, to which I referred.

The CHAIRMAN: Is that satisfactory? Can we pass the section now?

Mr. FLEMING: Mr. Chairman, I do not agree that the difference is not a difference of substance but only of form, in the language of the memorandum submitted by Mr. Erichsen-Brown. It may be that we would arrive at the same result under the law, whether enacted by parliament on the one hand or by order in council pursuant to statutory authority on the other. It might be precisely the same in the penalties that it would impose, but I think there is a very important question of principle involved, namely, whether parliament should delegate authority to the Governor in Council, and to me that is a matter of very great substance. It is not a matter of form. I adhere to the opinion I expressed at the last meeting, that while I think that the limits, the upward limits or ceiling imposed upon the penalties is sound—it takes some of the sting out of the objection I have raised—nevertheless where parliament is in a position to establish the penalties for breach of the law enacted by parliament, I do not think it is sound for parliament to delegate to the Governor in Council the determination of penalties, particularly when those penalties may invade very seriously the normal liberties of the subject. I think that is the kind of legislation that should be enacted by parliament and parliament alone. It is not a proper subject for delegating legislative power.

The CHAIRMAN: Of course that is not a new argument. It has been used extensively, and perhaps rightly so in some instances.

Mr. FLEMING: No, the principle for which I am contending is a very old one and a very sound one.

Mr. GRAYDON: There could not be any real insuperable obstacle to meeting Mr. Fleming's suggestion, that I can see.

Mr. FLEMING: We have good precedents in this most recent United Kingdom legislation.

The CHAIRMAN: You mean in the bill, in this bill here that was mentioned, in their own bill?

Mr. FLEMING: Yes, the one that was quoted to us at our last meeting.

The CHAIRMAN: I do not see very much difference. I have had legal opinion on it and have studied it. The only difference is that the penalties are higher in England than here.

Mr. FLEMING: They are looking at the end result, not the legislative process by which that end is reached.

The CHAIRMAN: Let us assume something has happened under this treaty, and the House is not sitting—say an infringement happens in British Columbia and the attorney general of that province wants the government to convene immediately to set a penalty. What then?

Mr. FLEMING: No, parliament would in this present bill before us fix the penalty. It would not be a case of waiting for something to occur to summon parliament. In England parliament has stipulated the penalties and they have defined the maximum in each case, just as we do in many, many sections of the Criminal Code, as you know, in which parliament says that anybody who commits a certain offence is liable to a certain penalty, if he is found guilty, up to a certain maximum, and it rests with the magistrate or judge to decide within those limits on a fine or imprisonment for the man convicted, and it is not a question of waiting till the situation arises. As a matter of fact, Mr. Chairman, if the procedure that I am suggesting is followed, the law would come into effect earlier than under the procedure indicated in the bill. In my suggestion, the law would come into effect, including the penalties to be attached to a breach, immediately upon royal assent to the bill, but under the procedure contemplated in the bill as at present drawn, under section 4, there would have to be another step taken, namely, the cabinet would have to meet and pass an order in council in which it has to define the penalty for breach. I do not see any reason at all why the matter is so complicated. The breach is clear enough as to definition. The decision as to a breach of any of the orders that are passed pursuant to the statutory authority will, I think, then be up to parliament to do this legislating in the matter of creating penalties in the way of imprisonment or fines.

The CHAIRMAN: Then in the case of such a breach they would have to go before the courts.

Mr. FLEMING: Oh, yes.

The CHAIRMAN: What would be the attitude of the province or provinces involved in the case of emergency? This Act deals also with matters not necessarily only criminal—it may involve the security of the state. It is not an ordinary law. We are dealing with a special Act.

Mr. FLEMING: I am afraid I do not follow the point you are making.

The CHAIRMAN: There is no doubt of anything happening in this clause here.

Mr. FLEMING: When you speak about laws, are you speaking about orders based on this Act?

The CHAIRMAN: Yes. In many instances it would be at the instigation of some of the provinces; a request would come from the provinces.

Mr. FLEMING: What has that to do with the point?

The CHAIRMAN: It would affect their application of the penalties and so on.

Mr. FLEMING: Not a bit. It would be slower under your method. They would have to go back and look up an order in council; there has to be an order in council fixing a penalty, and they would have to look up the order in council.

Under the method I am suggesting the penalty is fixed in this very bill we have before us now, and all they have to do is to look at the statute. The penalty is created at the moment parliament passes this bill.

The CHAIRMAN: What would be your amendment?

Mr. FLEMING: I thought Mr. Erichsen-Brown was going to bring an amendment to embody the corresponding terms of the United Kingdom legislation at this recent date. It would be a simple matter to draft it.

The WITNESS: Mr. Chairman, the United Kingdom parliament did not, strictly speaking, fix the penalties; it fixed the maximum limits of the penalties, and it did so while recognizing the fact that council might prescribe a lesser penalty. As I understand it, it was those two facts which led Mr. Driedger to tell me that he saw no distinction in substance—and I must confess I was unable to see any distinction in substance.

The CHAIRMAN: There is not very much difference, if any.

Mr. FLEMING: Well, to those of us who are allergic to invasions of the legislative powers of parliament, Mr. Chairman, it is a matter of very considerable substance.

Mr. RILEY: How serious is this?

Mr. FLEMING: Not as serious as some but I think wherever we see these invasions it is our duty to stop them.

Mr. RILEY: When you get a situation such as the chairman was trying to develop a while ago, where there might be special situations requiring a change—a special fine or imprisonment in respect of special circumstances surrounding an incident,—is it not therefore in the best interests for parliament to give the Governor in Council power to set a fine and term of imprisonment?

Mr. FLEMING: There would always be a maximum set anyway. You have it in every penal section of the Criminal Code, or in practically every one a maximum is set, and then it is left to the discretion of the judge or magistrate to determine within that maximum what shall be the fine and imprisonment. Parliament, in this case, does the legislating.

Mr. STICK: In other words parliament gives the magistrate—

Mr. FLEMING: Parliament defines the crime and defines the penalty, and fixes it—limits the maximum.

Mr. STICK: Then, parliament by this Act gives the magistrate leeway to reduce the maximum or to fit the fine to suit the crime, in other words?

Mr. FLEMING: Within certain limitations and I have no doubt on that angle you have the same thing with an order in council, because the order in council will only fix the maximum. It would not fix an absolute penalty.

Mr. STICK: Doesn't this bill do just that? It fixes the maximum and leaves it to the Governor in Council to determine it.

Mr. FLEMING: To determine it.

Mr. STICK: It is a fine point and a difficult point for a layman to follow. As I understand it, laws are made generally and there is no law you can make that is going to meet every individual case that comes before the courts. The magistrate or whoever is going to fix the penalty must have certain latitude in fixing the penalty to fit the crime. If this bill does that I think it covers the point—except Mr. Fleming says that parliament should make it more definite than leaving it to the Governor in Council.

The CHAIRMAN: The point involved is this: At least some of the arguments Mr. Fleming has advanced are against the dread of abuse of power through orders in council. Is that not right?

Mr. FLEMING: That is back of it.

The CHAIRMAN: That is back of it, but is it not also recognized, even in a democratic government, that they must divest their powers by order in council in certain circumstances and conditions.

Mr. FLEMING: Yes, under certain circumstances but not to the extent of these determined penalties that directly relate to the liberty of the subject.

The CHAIRMAN: Yes, in peace, order, and good government it is a powerful weapon. Under national stress it is a terrific thing, and I remember Mr. Bennett telling me that he never wanted to touch it, he was so frightened of the power that was implied in it. Any democratic government would always think of the abuses that might apply in these powers. I am not fighting it in this case, but I want to be sure that there is any real danger emanating from the effect of orders in council in a democracy.

Mr. FLEMING: The method is unsound. It is unsound to delegate power to the Governor in Council to prescribe the penalties when parliament can do it. It is not a proper field for delegation, it seems to me, where it is something that relates so directly to the liberty of the subject.

Mr. MACKENZIE: Would you call parliament every time you had to deal with an order of this kind?

Mr. FLEMING: No, that is not the point. The procedure here is to call on the Governor in Council to define the penalties to be attached to the various kinds of breaches, and in the method I am proposing parliament defines the limit right here in the bill and that would be determined, as always, in terms of the maximum.

Mr. MACKENZIE: Is this not within the limits of the fine?

Mr. FLEMING: The limits are going to be there in any event. The only point is that surely when parliament is enacting a bill like this, and when we have the bill before us, it is the simplest thing in the world for parliament to legislate and set up penalties.

The CHAIRMAN: They are set up in subsection 2.

Mr. FLEMING: The over-all maximum is fixed but it remains then for the Governor in Council to go ahead and determine within the over-all maximum what the penalty should be.

The CHAIRMAN: It is very clear: "The fine prescribed shall not exceed one hundred dollars for summary conviction and one thousand dollars for conviction under indictment and the terms of imprisonment prescribed shall not exceed two months for summary conviction and two years for conviction under indictment."

No government would take the responsibility of going over the limit.

Mr. FLEMING: They could not.

Mr. STICK: No.

The CHAIRMAN: I am making the point that they will not go over it. I am sure that in many instances they would not be criticized if they did not go half way to the limit—but there is no practical danger here that I can see. In all laws there is a minimum and a maximum. The only thing I think might be put in would be a minimum—but they will not go over the maximum.

Mr. FLEMING: They could not.

The CHAIRMAN: Surely it should be a simple matter. If we decide on a minimum here, then in passing this bill that too would be limited.

Mr. FLEMING: Well, I understood at the last meeting that Mr. Brown was going to draft an alternative section but I gather that has not been done. I do not want to prolong this discussion and if I could have the bill and the text of the United Kingdom legislation I will draft an amendment and put it in the record.

The WITNESS: I did not suggest that alternative legislation should be drafted. I was not convinced at the last meeting that it was necessary but I undertook to discuss the matter with Justice and I have done that. Our firm opinion is that the bill before the committee is substantially the same as the type of legislation in the United Kingdom that implements the Japanese treaty, and it is also substantially the same as the legislation in both countries after the first world war.

Mr. GAUTHIER (*Portneuf*): Besides, Mr. Chairman, the Governor in Council does not take away from the House of Commons the power of imposing the fine. The Governor in Council is asking—and the preamble is clear:

Her Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada . . .

He is asking us to consider this bill so that it will become law. It is only a bill now and it will be a law when the House of Commons adopts the bill. I do not think there is anything to fight about.

Mr. STEWART: A magistrate would have the right to lessen the penalty but not inflict more than the maximum penalty. It would not be a matter for the Governor in Council to decide what the penalty would be.

The WITNESS: The United Kingdom Act includes words which I endeavoured to emphasize in my statement. They are in brackets about half-way through the section:

Except in so far as any such order may provide for less penalties.

I say those words can only mean one thing and that is that the United Kingdom parliament recognizes that the Queen in council might provide a lesser penalty than the maximum limit which had been set forth by parliament.

I say that is substantially the same as the bill before the committee—and I cannot see any difference in substance.

The CHAIRMAN: No one would have any objection if there was an amendment covering the fact that the minimum as well as the maximum would be defined.

Mr. STICK: You have just quoted the words in the Act of the parliament of Westminster and although they are not specifically used here they are implied in the bill as it stands?

Mr. FLEMING: No.

The WITNESS: I would say, sir, they are implied of necessity in the United Kingdom Act. In other words, the United Kingdom Act contains a provision by which parliament fixes the maximum penalties, and then it contains words indicating that the council might provide for a lesser penalty. I say of necessity that the United Kingdom parliament must be held to have recognized that the actual limit of the penalty in any given case would be fixed by order in council.

Mr. STICK: Is that covered in this Act as it stands now?

The WITNESS: Yes, sir.

Mr. STICK: In your legal opinion that is covered in this Act?

The WITNESS: Definitely.

The CHAIRMAN: Are there any more questions or any further discussion?

Mr. STICK: Mr. Brown, that is the opinion of the Department of Justice too?

The WITNESS: Yes.

The CHAIRMAN: Have you your amendment ready, Mr. Fleming?

Mr. FLEMING: I could simply read it to you following the text of the United Kingdom legislation:

That section 4 be struck out and the following be substituted therefor:

Any order in council made under this Act may provide that a person or persons contravening or failing to comply with the provisions of the order shall be guilty of offences against this section, and any person guilty of an offence against this section shall be liable on summary conviction to a fine not exceeding one hundred dollars or a term of imprisonment not exceeding two months or both, and on conviction under indictment to a fine not exceeding one thousand dollars or a term of imprisonment not exceeding two years or both.

I so move.

May I add that preserves the limits that are set out in this legislation and it means that parliament is doing the legislating right in this bill. There is not any need for any order in council to be passed after this bill has been adopted by parliament.

The CHAIRMAN: Would you give me a copy of that amendment?

Mr. STICK: Perhaps I did not hear what Mr. Fleming read correctly, but he is changing it to read on summary conviction a fine up to \$1,000—

Mr. FLEMING: No, it is the same. On summary conviction the limit of the fine is \$100 and the limit of imprisonment is two months. In the case of conviction under indictment the limit of the fine is \$1,000 and the limit of imprisonment is two years. There is no change.

Mr. RILEY: On what do you base those maximums?

Mr. FLEMING: They are in subsection 2 of section 4 of the bill before us. I have not changed the limits as I have incorporated them here. My amendment just incorporates what I think is the infinitely sounder principle contained in the United Kingdom legislation where parliament says that if a man is guilty of a breach he is subject to these penalties whether on summary conviction or on indictment, and it is not up to the Governor in Council to say what penalties within those limits a man is subject to, on either summary conviction or indictment, for a breach of the order.

Mr. STICK: It is the same thing.

Mr. FLEMING: It may arrive at the same end in terms of the law at the end of the process, but there is a world of difference, in my humble submission, Mr. Chairman, in the constitutional basis by which you arrive at that end result.

The CHAIRMAN: Constitutionally?

Mr. FLEMING: Yes. The question of the division of power between parliament and the executive branch of government. In my respectful submission, it is not a function of parliament to delegate powers like this to the Governor in Council. We can do it ourselves just as well.

The CHAIRMAN: If you have your amendment ready I will call for a vote on the question.

Mr. FLEMING: I cannot write and talk at the same time so I will have to stop talking.

Mr. STICK: You should have had this ready before we met.

Mr. FLEMING: I asked at the last meeting that it be prepared and I thought we were going to have it before us today. I have it here now:

Section 4 be stricken out and the following be substituted therefor:

Any order in council made under this Act may provide that persons contravening or failing to comply with the provisions of the order shall be guilty of offences against this section, and any person guilty of an offence against this section shall be liable on summary

conviction to a fine not exceeding one hundred dollars or a term of imprisonment not exceeding two months or both, and on conviction under indictment to a fine not exceeding one thousand dollars or a term of imprisonment not exceeding two years or both.

The CHAIRMAN: Mr. Erichsen-Brown will study it for a moment.

The WITNESS: I notice that you omitted words which are in the United Kingdom Act—"except in so far as any such order may provide for less penalties". Was it your intention that the Governor in Council would be obliged to apply the fine which appears in the bill before the committee as a maximum—that is to say that the Governor in Council would have to apply it in every case?

Mr. FLEMING: It is only a maximum and I do not mind putting those words in.

The WITNESS: The reason I asked is I have regarded the wording for the United Kingdom as a maximum—

The CHAIRMAN: Do you wish me to read the amendment?

The WITNESS: You intend with this change to make it the exact duplicate of subsection 2 of section 1 of the United Kingdom bill?

Mr. FLEMING: Except that it adopts the penalty under our bill rather than theirs.

The CHAIRMAN: You make the penalties correspond with those included in our bill.

Mr. FLEMING: Yes, in subsection 2 of section 4.

The CHAIRMAN: Do you wish me to read this again slowly so that you may see any differences?

Any order in council made under this Act may provide that persons contravening or failing to comply with the provisions of the order shall be guilty of offences against this section and except in so far as any such order may provide for less penalties, any person guilty of an offence against this section shall be liable on summary conviction to a fine not exceeding one hundred dollars or a term of imprisonment not exceeding two months or both, and on conviction under indictment to a fine not exceeding one thousand dollars or a term of imprisonment not exceeding two years or both.

Mr. GAUTHIER (*Portneuf*): What are the first two lines?

The CHAIRMAN: "Any order in council made under this Act may provide—".

Mr. GAUTHIER (*Portneuf*): It is the same thing.

The CHAIRMAN: The same as the British Act.

Mr. GAUTHIER (*Portneuf*): Only the Governor in Council has powers to pass an order in council.

Mr. FLEMING: There never was any question about the power to pass orders in council. It is a question of what happens when orders in council are broken, and the section that I am offering, which follows the United Kingdom legislation, indicates that parliament fixes the penalty for the breach. This present section gives the Governor in Council not only power to make orders but also to prescribe penalties.

Mr. BENIDICKSON: The present phrasing is open-ended?

Mr. FLEMING: Not open-ended. Parliament delegates to the Governor in Council the right to fix the penalties. Under the section of the U.K. precedent which I propose we should follow here parliament will say: There is the limit; we are legislating these penalties unless they are reduced.

Mr. STICK: Are you not adding to your penalties when you say "or both"?

Mr. FLEMING: I have not changed the maximum penalty at all.

Mr. GAUTHIER (*Portneuf*): I know you have not changed it.

The CHAIRMAN: But you have no minimum there.

Mr. FLEMING: You may arrive at the same result in the end, but that is not the point.

The CHAIRMAN: To me both will have exactly the same effect. That is only my personal opinion and I have no prejudice against anyone, you realize that—as chairman I have no right to such prejudice—but really one has just as much power in it as the other.

Mr. STICK: I may be wrong, as I am not a lawyer, but under the Act as it stands here now the fine prescribed shall not exceed \$100 and it does not say anything about “or both”.

Mr. FLEMING: Read subsection (1) and you will see:

...the Governor in Council may prescribe a fine or a term of imprisonment or both a fine and a term of imprisonment... and may also prescribe whether the penalty shall be imposed upon summary conviction or upon conviction under indictment or upon either summary conviction or conviction under indictment.

Mr. RILEY: We have here a section that is a delegation of powers which are well defined.

The CHAIRMAN: The maximum penalty is well defined.

Mr. RILEY: So we are not delegating powers which can lead to any abuse that I can see—and in addition to that it is the court itself that actually imposes the penalty that is prescribed—

Mr. FLEMING: By order in council.

Mr. RILEY: The court imposes it, and there is adequate protection.

Mr. GRAYDON: Yes, but protection is not the point at issue in Mr. Fleming's amendment because in nearly every statute there is naturally protection. In this case it is a question of who shall be the one to say what the fine or penalty shall be. Shall it be parliament or shall it be the Cabinet?

Mr. RILEY: Parliament is going this far and saying that it shall not be higher than such and such a maximum. Going back to section 3, we are there delegating power to the Governor in Council to make appointments, establish offices and so on, so why do we not, by the same principle, define what offices shall be established and what appointments shall be made? I would say, from the standpoint of Mr. Fleming's argument there is really such a thing as interfering when powers are delegated to a body such as this executive body, but, at the same time, let us be sensible about it and realize that under this clause 4 there is not the abuse, there is not the possible abuse there could be under section 3.

The CHAIRMAN: Have you a seconder for your amendment?

Mr. GRAYDON: I will second it.

The CHAIRMAN: I think we have had quite a lot of discussion on this matter and I know that we are all very sincere about our convictions with respect to it. The amendment has been moved by Mr. Fleming and seconded by Mr. Graydon. Shall I read it again?

Some Hon. MEMBERS: No, no.

The CHAIRMAN: Those in favour will signify in the usual manner? Those against? I declare the amendment lost.

I believe that Mr. Erichsen-Brown has completed his work with us and I wish to thank you, Mr. Erichsen-Brown, for your information and your good attention.

Shall clause 1 of the bill carry?

Carried.

Clause 2?

Carried.

Clause 3?

Carried.

Clause 4?

Carried.

Clause 5?

Carried.

Shall the preamble carry?

Carried.

Shall I report the bill?

Agreed.

That is all we have at the present time and I believe we have completed our work. However, before we adjourn I will say that I am going to the middle east and to Europe late this month. I must, therefore, leave for home tomorrow night, but I shall be back here next week. I hope it will be possible for you to carry on your work on the report, and I will ask Mr. Graydon, at his pleasure, to call a meeting of the agenda committee and to start to work on the report. If it is ready before I get back next week I think it would be good democracy to have it presented to the House. In any event I shall be here next Tuesday.

Mr. STICK: Are you going to have a meeting of this committee to go over the report before you submit it to the House?

The CHAIRMAN: Yes, and any members who have anything to include in the report should give it to the agenda committee.

Mr. GRAYDON: If it were possible for you to be back before we are finished I would prefer it, because I have great confidence in your judgment in connection with these matters. I would feel happier if you, under your own consideration and suggestions, made the report itself. However, I will be very glad to call the agenda committee and if necessary to call the general committee in camera, I suppose, to consider the various suggestions. Perhaps by the time you get back next week we could have a pretty complete draft report for your consideration and it could be presented on the day you come back if there are not substantial changes to be made in it.

Before I close, I would like to say this: I think I will be reflecting the opinions and the sentiments of the entire committee in congratulating the chairman upon the very high honour which is being bestowed upon him by the Israeli government. It is an honour that few people have been privileged to have, and, in addition, it is a mark of recognition to one of our great Canadians who has served so well in the international field. I am sure it is a favourable reflection upon him, upon his constituents, and upon the committee which he here heads. We would like to share just a little in the reflected glory that comes to our very popular and efficient chairman.

The CHAIRMAN: Thank you very much indeed, Mr. Graydon, for your kind words. I can assure you that when I am away, even if I cannot come back for the presentation of the official report, I shall not have any worries.

Mr. STICK: I would move a vote of thanks be extended to the witnesses who have come before us to help and assist us.

The CHAIRMAN: Yes.

I know I am going to enjoy the fine trip to Israel and I will spend at least three weeks in Europe after I have finished my studies in Israel. I am sure it will be a very very fascinating trip.

Mr. STICK: Be sure to come back.

The CHAIRMAN: Perhaps it might be possible to have an agenda committee meeting in my office tomorrow at four.

Mr. GRAYDON: Will you be here?

The CHAIRMAN: Yes.

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